IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
	Case No. 26-10989 (CTG)
SANGAMO THERAPEUTICS, INC.	**Objection Deadline: July 14, 2026 at 4:00 p.m.** **Hearing Date: July 21, 2026 at 1:00 p.m.**
Debtor.[1]	**Re: Docket Nos. 10 & 63**

NOTICE OF (A) ENTRY OF INTERIM ORDER (A) AUTHORIZING THE DEBTOR TO OBTAIN POSTPETITION FINANCING, (B) GRANTING LIENS AND PROVIDING CLAIMS WITH SUPERPRIORITY ADMINISTRATIVE EXPENSE STATUS, (C) MODIFYING AUTOMATIC STAY, (D) SCHEDULING FINAL HEARING, AND (E) GRANTING RELATED RELIEF; AND (B) FINAL HEARING THEREON

PLEASE TAKE NOTICE that, on June 23, 2026, Sangamo Therapeutics, Inc. (the "**Debtor**"), filed the *Debtor's Motion for Entry of Interim and Final Orders (A) Authorizing the Debtor to Obtain Postpetition Financing, (B) Granting Liens and Providing Claims with Superpriority Administrative Expense Status, (C) Modifying Automatic Stay, (D) Scheduling a Final Hearing, and (E) Granting Related Relief* [Docket No. 10] (the "**Motion**") with the United States Bankruptcy Court for the District of Delaware (the "**Court**"). A copy of the Motion is attached hereto as **Exhibit A**.

PLEASE TAKE FURTHER NOTICE that, following an initial hearing to consider the Motion, on June 25, 2026, the Court entered the *Interim Order (A) Authorizing the Debtor to Obtain Postpetition Financing, (B) Granting Liens and Providing Claims with Superpriority Administrative Expense Status, (C) Modifying Automatic Stay, (D) Scheduling a*

[1] The last four digits of the Debtor's federal tax identification number are 9556. The Debtor's principal office is located at 501 Canal Boulevard, Suite A100, Richmond, CA 94084.

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Final Hearing, and (E) Granting Related Relief [Docket No. 63] (the "**Interim Order**"). A copy of the Interim Order is attached hereto as **Exhibit B**.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Interim Order, objections or responses to the final relief requested in the Motion, if any, must be filed with the Court no later than **July 14, 2026 at 4:00 p.m. (Eastern Time)** and served upon the following: (a) counsel to the DIP Lender, (i) Norton Rose Fulbright US LLP, 1301 Avenue of the Americas, New York, New York 10019, Attn: Robert M. Hirsh (robert.hirsh@nortonrosefulbright.com), James A. Copeland (james.copeland@nortonrosefulbright.com), and Emily Hong (emily.hong@nortonrosefulbright.com) and (ii) Ice Miller LLP, 500 Delaware Avenue, Suite 220, Wilmington, Delaware 19801, Attn: Aaron H. Stulman (aaron.stulman@icemiller.com); (b) proposed counsel to the Debtor, (i) Cooley LLP, 55 Hudson Yards, New York, New York 10001, Attn: Cullen Drescher Speckhart (cspeckhart@cooley.com) and Lauren A. Reichardt (lreichardt@cooley.com) and (ii) Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, Delaware 19801, Attn: Daniel J. DeFranceschi (defranceschi@rlf.com), Amanda R. Steele (steele@rlf.com), and Brendan J. Schlauch (schlauch@rlf.com); and (c) Office of the U.S. Trustee, U.S. Department of Justice, 844 N. King St., Rm. 2207, Wilmington, DE 19801 Attn: Linda J. Casey (linda.casey@usdoj.gov).

PLEASE TAKE FURTHER NOTICE that, pursuant to the Interim Order, a hearing with respect to the final relief requested in the Motion, if required, will be held before The Honorable Craig T. Goldblatt, United States Bankruptcy Judge for the District of Delaware, at the Court, 824 North Market Street, 3rd Floor, Courtroom 7, Wilmington, Delaware 19801 on **July 21, 2026 at 1:00 p.m. (Eastern Time).**

PLEASE TAKE FURTHER NOTICE THAT, IF NO OBJECTIONS TO THE MOTION ARE TIMELY FILED IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE FINAL RELIEF REQUESTED IN THE MOTION WITHOUT FURTHER NOTICE OR HEARING.

[*Remainder of page intentionally left blank.*]

Dated: June 25, 2026
Wilmington, Delaware

Respectfully submitted,

/s/ Brendan J. Schlauch

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Proposed Counsel for the Debtor and Debtor in Possession

EXHIBIT A

Motion

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
SANGAMO THERAPEUTICS, INC.	)	Case No. 26-_____ (___)
Debtor.[1]	)	

DEBTOR'S MOTION FOR ENTRY OF INTERIM AND FINAL ORDERS (A) AUTHORIZING THE DEBTOR TO OBTAIN POSTPETITION FINANCING, (B) GRANTING LIENS AND PROVIDING CLAIMS WITH SUPERPRIORITY ADMINISTRATIVE EXPENSE STATUS, (C) MODIFYING AUTOMATIC STAY, (D) SCHEDULING FINAL HEARING, AND (E) GRANTING RELATED RELIEF

The debtor and debtor-in-possession (the "**Debtor**") in the above-captioned chapter 11 case (this "**Chapter 11 Case**"), hereby submits this motion (this "**DIP Motion**") pursuant to sections 105, 361, 362, 363, 364, and 507 of title 11 of the United States Code (the "**Bankruptcy Code**"), Rules 2002, 4001, 6003, 6004, and 9014 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), and Rule 4001-2 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "**Local Rules**"), for entry of interim and final orders, (a) authorizing the Debtor to obtain postpetition financing pursuant to a superpriority, senior secured, debtor-in-possession credit facility in an aggregate principal amount not to exceed $30 million; (b) granting liens and providing superpriority administrative expense status; (c) modifying the automatic stay; (d) scheduling a final hearing on this DIP Motion; and (e) granting related relief. In support of this DIP Motion, the Debtor relies on the (a) *Declaration of Nicholas K. Campbell in Support of the Debtor's DIP Motion* (the "**Campbell Declaration**") and

[1] The last four digits of the Debtor's federal tax identification number are 9556. The Debtor's principal office is located at 501 Canal Boulevard, Suite A100, Richmond, CA 94084.

(b) *Declaration of Geoffrey Richards in Support of Debtor's DIP Motion* (the "**Richards Declaration**" and, together with the Campbell Declaration, the "**Declarations**"), each filed contemporaneously herewith and incorporated herein by reference. In further support of this DIP Motion, the Debtor respectfully represents as follows:

RELIEF REQUESTED

1. By this DIP Motion, the Debtor seeks entry of an interim order, substantially in the form attached hereto at **Exhibit A** (the "**Interim Order**"), and a final order (the "**Final Order**" and, together with the Interim Order, collectively, the "**Proposed Orders**"),[2] granting, among other things, the following relief:

a. authorizing the Debtor to obtain postpetition financing on a senior secured superpriority basis, on the terms and conditions set forth herein and the term sheet attached as Exhibit 1 to the Interim Order (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time in accordance with the terms thereof, the "**DIP Term Sheet**"),[3] by and among the Debtor and Northridge ATM, LLC ("**Northridge**") and its subsidiaries, affiliates, designees, and assignees (together with Northridge, the "**DIP Lender**"), comprising a senior secured superpriority debtor-in-possession term loan facility in an aggregate principal amount of up to $30,000,000, *plus* applicable fees and premiums (the "**DIP Facility**"; and the commitments thereunder, the "**DIP Commitments**" and, the term loans extended thereunder, the "**DIP Loans**"), pursuant to which (i) up to $10,500,000 of the DIP Commitments (the "**Interim DIP Loans**") shall be available upon the entry of the Interim Order and (ii) up to the full amount of the DIP Commitments *less* amount(s) drawn under the Interim DIP Loans (the "**Subsequent DIP Loans**" and, together with the Interim DIP Loans, the "**DIP Borrowings**" and, each, a "**DIP Borrowing**") shall be available upon the entry of the Final Order, in each case solely upon compliance with the Interim Order or Final Order (as applicable), the Budget (as defined below) (subject to the Permitted Variance (as defined below)), the DIP Term Sheet, and, as applicable, the credit agreement for the DIP Facility (as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof, the "**DIP Credit Agreement**" and, together with any ancillary, collateral, or related documents and agreements, as the case may be, and the Proposed Orders, each as amended,

[2] The Debtor will file the form of final order prior to the Final Hearing (as defined herein).

[3] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the DIP Term Sheet or the First Day Declaration (as defined below), as applicable.

restated, supplemented, or otherwise modified from time to time in accordance with the terms thereof, the "**DIP Documents**");

b. authorizing the Debtor, on an interim basis, to: (i) execute, deliver, and perform under the DIP Term Sheet, and the other DIP Documents, as applicable, and to perform all such other and further acts as may be required in connection therewith; (ii) incur all loans, advances, extensions of credit and financial accommodations, and pay all principal, interest, premiums or similar amounts, fees (including, without limitation, the Commitment Fee, the Exit Fee, and the Work Fee (in each case in accordance with and as defined in the DIP Term Sheet)), costs, expenses, charges, indemnification and reimbursement obligations (whether contingent or absolute), and all other obligations or amounts, whether or not such obligations arose before or after the Petition Date (as defined below), whenever the same shall become due, whether at stated maturity, by mandatory prepayment, declaration, acceleration, or otherwise, in each case, in accordance with the DIP Term Sheet and this Interim Order (collectively, the "**DIP Obligations**"); and (iii) perform such other and further acts as may be necessary, required, or desirable to implement and effectuate the terms of this Interim Order, the DIP Term Sheet, and the other DIP Documents and the transactions contemplated thereunder;

c. authorizing the Debtor, on an interim basis, to grant to the DIP Lender the DIP Liens (as defined below) in all DIP Collateral (as defined in the Proposed Orders), as set forth in this Interim Order, subject to the Carve Out (as defined below), and subject to the relative priorities set forth in this Interim Order;

d. authorizing the Debtor, on an interim basis, to grant to the DIP Lender, allowed superpriority administrative expense claims pursuant to section 364(c)(1) of the Bankruptcy Code, as well as liens pursuant to sections 364(c)(2) and 364(c)(3) of the Bankruptcy Code, as further described herein, on all DIP Collateral and all proceeds thereof (including, without limitation, Avoidance Action Assets (as defined in the Proposed Orders), Cash Collateral (as defined in the Proposed Orders), all cash and cash equivalents and other amounts from time to time on deposit or maintained by the Debtor in any deposit or securities account or accounts as of the Petition Date), against the Debtor in respect of all DIP Obligations, subject to the Carve Out, as set forth in this Interim Order;

e. authorizing the Debtor, on an interim basis, to use the proceeds of the DIP Facility and the DIP Collateral, (including the Cash Collateral) in accordance with the terms and conditions set forth in this Interim Order, the DIP Term Sheet, and the other DIP Documents, and strictly in accordance with the Budget, subject to any Permitted Variance (as defined below) expressly permitted under the DIP Term Sheet;

f. modifying the automatic stay imposed by section 362 of the Bankruptcy Code or otherwise, to the extent necessary, required or desirable to implement and effectuate the terms and provisions of this Interim Order and the DIP Term Sheet, as set forth herein or therein, waiving any applicable stay (including under Bankruptcy Rule 6004) with respect to the effectiveness and enforceability of this Interim Order, and providing for the immediate effectiveness of this Interim Order;

g. waiving any applicable stay (including under Bankruptcy Rule 6004) with respect to the effectiveness and enforceability of this Interim Order and provides for the immediate effectiveness of this Interim Order;

h. approving certain stipulations, waivers, and releases by the Debtor (and its applicable related parties and representatives) with respect to, *inter alia*, the DIP Lender, the DIP Term Sheet, the DIP Liens, and the DIP Obligations;

i. approving, on a final basis, the Commitment Fee, the Exit Fee, and the Work Fee, in this Interim Order, and further authorizes and directs the Debtor to make non-refundable, irrevocable, and final payments on account of the principal, interest, fees (including, the Commitment Fee, the Exit Fee, and the Work Fee, in each case, in accordance with the DIP Term Sheet), expenses and other amounts payable under the DIP Term Sheet, each as applicable, as such become due and payable, all to the extent provided in, and in accordance with, this Interim Order and the DIP Term Sheet;

j. scheduling a final hearing (the "**Final Hearing**") on this DIP Motion to consider entry of the Final Order authorizing the relief requested in this DIP Motion on a final basis and approving the form of notice with respect to such Final Hearing, which order shall be in form and substance and on terms and conditions acceptable in all respects to the DIP Lender; and

k. granting related relief.

JURISDICTION

2. The United States Bankruptcy Court for the District of Delaware (the "**Court**") has jurisdiction to consider this DIP Motion under 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 (Sleet, C.J.). This is a core proceeding under 28 U.S.C. § 157(b). Venue of this Chapter 11 Case and this DIP Motion is proper in this District under 28 U.S.C. §§ 1408 and 1409.

3. The statutory and legal predicates for the relief requested herein are sections 105, 361, 362, 363, 364, and 507 of the Bankruptcy Code, Rules 2002, 4001, 6003, 6004 and 9014 of the Bankruptcy Rules, and Rule 4001-2 of the Local Rules.

4. Pursuant to Local Rule 9013-1(f), the Debtor consents to the entry of a final order or judgment with respect to this DIP Motion if it is determined that the Court lacks Article III jurisdiction to enter such final order or judgment absent consent of the parties.

BACKGROUND

A. General Background

5. On the date hereof (the "**Petition Date**"), the Debtor commenced a voluntary case under chapter 11 of the Bankruptcy Code. The Debtor continues to operate its business and manage its properties as a debtor and debtor-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No creditors' committee has been appointed by the Office of the United States Trustee for the District of Delaware (the "**U.S. Trustee**"), nor has a trustee or examiner been appointed in this Chapter 11 Case.

6. Additional information regarding the Debtor's business and capital structure and the circumstances leading to the commencement of this Chapter 11 Case is set forth in the *Declaration of Scott* B. Willoughby *in Support of the Chapter 11 Petition and First Day* Motions (the "**First Day Declaration**"), incorporated herein by reference.

B. Prepetition Capital Structure

7. As of the Petition Date, the Debtor has no funded debt obligations, including no prepetition secured debt, unsecured notes, or credit facility obligations. The Debtor's outstanding general unsecured prepetition obligations on the Petition Date primarily consist of: (i) trade payables owed to vendors and service providers, including amounts owed to CMOs and other research and development service providers in the approximate aggregate amount of $19.2 million;

(ii) rent obligations under the Debtor's real property leases, including deferred rent previously accumulated under the Brisbane Lease Amendment, in the approximate aggregate amount of $4.0 million; and (iii) employee obligations consisting of (a) annual performance bonuses for fiscal years 2024 and 2025 that were accrued in the ordinary course of business but remained unpaid as of the Petition Date in the approximate aggregate amount of $9.4 million, (b) severance obligations to employees whose employment was terminated in connection with the March RIF and the June RIF, in the aggregate amount of $3.7 million, (c) merit-based salary increases for fiscal year 2025 that were accrued but not funded as of the Petition Date in the approximate aggregate amount of $2.3 million, and (d) accrued but unpaid COBRA covered benefits following employee terminations in the approximate amount of $900,000.

8. The Debtor has approximately $5.5 million in cash on hand as of the Petition Date. Notwithstanding the absence of funded debt, the Debtor's available cash is insufficient to fund the administration of this Chapter 11 Case.

C. Deterioration of the Debtor's Financial Condition

9. As set forth in the First Day Declaration, in recent years, the Debtor has experienced a sharp decline in revenues driven primarily by the termination or expiration of key collaboration agreements, resulting in a reduction in annual revenues of more than 77% from 2023 to 2025 and significant recurring net losses. This decline has materially impaired the Debtor's liquidity position, with cash, cash equivalents, and marketable securities decreasing from approximately $307.5 million as of December 31, 2022 to approximately $20.9 million as of December 31, 2025, which resulted in going-concern disclosures in its publicly filed annual and quarterly reports.

10. Despite efforts to improve liquidity through equity financings, licensing transactions, and cost-saving initiatives, the Debtor was unable to stabilize its financial condition

or secure sufficient financing outside of a chapter 11 process. The Debtor's prepetition marketing and sale efforts, however, culminated in the execution of two stalking horse asset purchase agreements: (i) the Asset Purchase Agreement (the "**Lilly Stalking Horse APA**") between the Debtor and Merope Acquisition Sub, LLC ("**Merope**"), a wholly owned subsidiary of Eli Lilly and Company ("**Lilly**"), pursuant to which Merope has agreed to serve as the stalking horse bidder for the Debtor's Technology Platforms, the Prion Disease Program, and the Outlicensing Agreements (collectively, the "Lilly Assets"); and (ii) the Asset Purchase Agreement (the "**Astellas Stalking Horse APA**" and, together with the Lilly Stalking Horse APA, the "**Stalking Horse APAs**") between the Debtor and Astellas Gene Therapies, Inc. ("**Astellas**"), pursuant to which Astellas has agreed to serve as the stalking horse bidder for substantially all of the assets related to the Fabry Disease Program (the "**Astellas Assets**").

11. Accordingly, the Debtor commenced this Chapter 11 Case to implement a value-maximizing sale process under section 363 of the Bankruptcy Code for the benefit of its stakeholders, supported by two Stalking Horse APAs that establish a floor for certain of its key Assets. The DIP Facility sought herein is an essential component to ensuring that path is a success.

D. The DIP Facility

12. Through the DIP Facility, the Debtor will have access to the necessary cash to fund this Chapter 11 Case to effectuate a value-maximizing sale or sales of its Assets, including providing the liquidity necessary to operate its business on a postpetition basis, pay administrative expenses, and otherwise preserve the value of the Debtor's estate.

13. The Debtor therefore seeks approval of the DIP Facility consisting of superpriority senior secured DIP Loans in an aggregate principal amount not to exceed $30 million, including an Interim DIP Loans in an aggregate principal amount of $10.5 million to be made available upon

entry of the Interim Order and up to the full amount of the DIP Commitments less amount(s) drawn under the Interim DIP Loans to be made available upon entry of the Final Order, subject to the terms and conditions of the DIP Term Sheet and the DIP Documents.

14. The DIP Facility was extensively negotiated prepetition between the Debtor and the DIP Lender and represents the best actionable proposal that provides the Debtor with access to necessary financing. Given the Debtor's cash on hand, without the DIP Facility, the Debtor would not be able to fund its operations or sale process, thereby causing immediate and irreparable harm to the Debtor's estate. Accordingly, the DIP Facility is critical to enabling the Debtor to fund its operations during this Chapter 11 Case, pursue a sale or sales of substantially all of its assets, and preserve and maximize the value of its estate for the benefit of its stakeholders and all parties in interest.

15. For the foregoing reasons, and for the reasons set forth below and in the Declarations, the Debtor believes that its entry into the DIP Facility constitutes a sound exercise of its business judgment and will maximize the value of the Debtor's estate for the benefit of all its creditors and other stakeholders. Accordingly, the Debtor respectfully requests that the Court enter the Interim Order.

CONCISE STATEMENTS PURSUANT TO BANKRUPTCY RULE 4001(b) AND LOCAL RULE 4001-2

16. In accordance with Bankruptcy Rule 4001(b)(1)(B) and Local Rule 4001-2, the below chart contains a summary of the material terms of the proposed DIP Facility, together with references to the applicable sections of the relevant source documents:[4]

[4] The following summary of the terms of the DIP Facility is qualified entirely by the express terms of the referenced documents, including the DIP Term Sheet and Proposed Orders. If there are any inconsistencies between the summary below and such documents, the terms of such documents shall control. Capitalized terms used but not otherwise defined in this summary chart shall have the meanings ascribed to them in the DIP Term Sheet or the Proposed Orders, as applicable.

Term	Summary of Material Terms
Borrower; Guarantors Bankruptcy Rule 4001(c)(1)(B)	Borrower: Sangamo Therapeutics, Inc., a Delaware corporation (the "**Borrower**"). Guarantors: All obligations under the DIP Facility will be guaranteed as a guaranty of collection only by each of Borrower's direct and indirect subsidiaries and affiliates (collectively, the "**Guarantors**" and each a "**Guarantor**" and together with the Borrower, the "**Loan Parties**" and each a "**Loan Party**"). DIP Term Sheet, Item #1.
DIP Lender Bankruptcy Rule 4001(c)(1)(B)	• Northridge ATM, LLC ("**Northridge**") and its subsidiaries, affiliates, designees, and assignees (together with Northridge, the "**DIP Lender**"). DIP Term Sheet, Item #2.
DIP Facility Bankruptcy Rule 4001(c)(1)(B) Local Rule 4001-2(a)(i)(A), (O)	The DIP Facility is a non-amortizing super-priority senior secured term loan facility in an aggregate principal amount not to exceed $30,000,000, *plus* applicable fees and premiums, of which up to $10,500,000 in an Initial Draw will be available upon entry of the Interim Order and up to the full amount of the DIP Commitments *less* amount(s) drawn in the Initial Draw will be available upon entry of the Final Order. DIP Term Sheet, Items #3–4, 6.
Interest Rate Bankruptcy Rule 4001(c)(1)(B) Local Rule 4001-2(a)(i)(B)	Interest Rate: The DIP Loans shall bear interest at a per annum rate equal to twelve percent (12.0%) payable in cash on the first business day of each month in arrears (the "**Non-Default Interest**"). Default Rate: Notwithstanding the foregoing, after the occurrence and during the continuance of an Event of Default, the DIP Loans shall bear interest at an additional per annum rate of two percent (2.0%), in each case payable in cash, together with the Non-Default Interest, on the first day of each month in arrears. *See* DIP Term Sheet, Item #8.
Indemnification and Reimbursement of Expenses Bankruptcy Rule 4001(c)(1)(B)(ix)	Indemnification. The DIP Documents (including the Interim Order) shall contain customary indemnification provisions for the benefit of the DIP Lender, and its related parties (the "**Indemnitees**"), including, without limitation, indemnification against losses, claims, damages, liabilities or expenses incurred in respect of the financing contemplated by the DIP Documents or the use or the proposed use of proceeds thereof.

Local Rule 4001-2(a)(i)(B), (K)	Expense Reimbursement. Subject to the DIP Documents, all reasonable, documented out-of-pocket accrued and unpaid fees, costs, disbursements, and expenses of the DIP Lender, including the documented fees and expenses of Norton Rose Fulbright US LLP and Ice Miller LLP, as co-counsel to the DIP Lender, incurred in connection with the DIP Facility and this Chapter 11 Case shall be paid on a current basis. *See* DIP Term Sheet, Item #25.
Fees Bankruptcy Rule 4001(c)(1)(B)	Commitment Fee: The Borrower shall pay to the DIP Lender a commitment fee equal to 2.00% of the total amount of the DIP Commitments (the "**Commitment Fee**"), which Commitment Fee shall be approved on a final basis, fully earned, and allowed, non-refundable and not be subject to reduction, setoff, or recoupment for any reason upon entry of the Interim Order, and shall be payable out of the proceeds of the Initial Draw or cash on hand within two (2) business days after the entry of the Interim Order and shall be payable out of the proceeds of the Initial Draw or cash on hand within two (2) business days after the entry of the Interim Order. The Commitment Fee shall be paid in cash to the DIP Lender promptly after the Court's entry of the Interim Order, but in no event shall the Commitment Fee be paid later than the date that is two (2) business days after the entry of the Interim Order. Exit Fee: The Borrower shall pay to the DIP Lender an exit fee of five percent (5%) of the total DIP Commitments (the "**Exit Fee**"), which Exit Fee shall be approved on a final basis, fully earned, and allowed, non-refundable and not be subject to reduction, setoff, or recoupment for any reason upon entry of the Interim Order. The Exit Fee shall be due and payable in cash upon the earliest of (i) the DIP Termination Date, (ii) Payment in Full of the DIP Obligations, and (iii) on a pro rata basis for any Mandatory Prepayment or Voluntary Prepayment of the DIP Obligations; *provided*, *however*, that, if the DIP Termination Date has occurred solely as a result of the occurrence and continuation of an Event of Default under the DIP Documents, then the Exit Fee shall not be payable until the DIP Obligations have been accelerated by the DIP Lender. Work Fee: The Debtor paid to the DIP Lender (or its counsel) a work fee of $75,000 (the "**Work Fee**") on June 15, 2026, which Work Fee shall be fully earned, non-refundable, and allowed upon execution of the DIP Term Sheet. The Interim Order shall provide that the Work Fee shall be approved on a final basis, fully earned and allowed, non-refundable and not be subject to reduction, setoff or recoupment

	for any reason. Any unused amount of the Work Fee shall be carried forward to offset legal expenses of the DIP Lender during the case. *See* DIP Term Sheet, Item #9.
Budget and Variance Reporting Bankruptcy Rule 4001(c)(1)(B) Local Rule 4001-2(a)(i)(E) 4001-2(a)(iii)	Initial Budget. The initial budget (the "**Initial Budget**" and, as updated from time to time in accordance with the DIP Term Sheet, the "**Budget**"), a copy of which is attached as Exhibit 2 to the Interim Order, covers the 13-week period commencing on or about the Petition Date. Updated Budgets. The Budget may from time to time (and, on the fifth Thursday following the prior Budget's approval and every fifth Thursday thereafter shall) be updated and provided to the DIP Lender, with such updated Budget extending the term thereof (the "**Updated Budget**") and the DIP Lender shall have the right to reject, in its reasonable discretion, each Updated Budget by providing the Borrower specific notice thereof within three (3) business days after the delivery by the Borrower of any such Updated Budget and, to the extent the DIP Lender (in its reasonable discretion) provides written notice rejecting the updates (or any amendments), the then existing Budget shall continue to constitute the applicable Budget until such time as an update or amendment is approved by the DIP Lender (in its reasonable discretion). In the event the DIP Lender does not provide written notice of its rejection of the proposed Updated Budget within such three-business-day period, such Updated Budget shall become effective as the Budget. Variance Reporting. On a weekly basis after the delivery of the first Updated Budget, the Borrower shall deliver to the DIP Lender a variance report for the four-week period ending the prior Thursday comparing the difference/variance, expressed as a percentage (each, a "**Budget Variance**"), between actual net operating cash flow for such period to projected net operating cash flow for such period as set forth in the Budget on a cumulative four-week rolling basis (each a "**Measuring Period**") and explaining in reasonable detail all material variances, it being understood that any Net Operating Variance (as defined below) solely with respect to net operating cash flow that exceeds fifteen percent (15%) shall be material and shall constitute an Event of Default under the DIP Documents (each such report, a "**Variance Report**," which shall be in a form reasonably acceptable to the DIP Lender). Permitted Variances. For purposes of each Measuring Period, the Borrower shall calculate: the numerical difference between "net operating cash flow" (such terms reflecting those line items illustrated in the Budget) for such period to "net operating cash flow" for such

	period as set forth in the Budget on a cumulative four-week rolling basis, and to the extent the difference is a positive number, the percentage such difference is of the cumulative budgeted amount for such period (the "**Net Operating Variance**"). For purposes herein, a "**Permitted Variance**" shall be limited to not greater than fifteen percent (15%) for budget variances with respect to the Net Operating Variance, each as set forth in the applicable Variance Report. For the avoidance of doubt, United States Trustee fees, professional fees of the DIP Lender (to the extent reimbursed) and the Loan Parties, and certain other administrative expenses to be agreed, shall not be included in the Net Operating Variance calculation. *See* DIP Term Sheet, Items ##15, 21.
Conditions Precedent to Borrowing DIP Loans Bankruptcy Rule 4001(c)(1)(B) Local Rule 4001-2(a)(i)(E)	Conditions Precedent to Initial Draw. Access to the Initial Draw is conditioned on (i) entry of the Interim Order on or before five (5) business days after the Petition Date, and no order has been entered reversing, amending, staying, vacating, terminating or otherwise modifying in any manner the Interim Order; (ii) delivery of the Initial Budget; (iii) all out-of-pocket costs, fees and expenses required to be paid to the DIP Lender pursuant to the DIP Term Sheet (including the Commitment Fee), the DIP Documents, or the Proposed Orders shall have been paid in accordance with the DIP Term Sheet or the applicable DIP Documents, *provided* that the Commitment Fee and the DIP Lender's legal fees and expenses incurred as of the date of the Initial Draw (other than the Work Fee, which shall have been paid before the Petition Date) shall be paid out of the proceeds of the Initial Draw; (iv) the representations and warranties of the Loan Parties under the DIP Term Sheet and any other DIP Documents shall be true and correct in all material respects (or in the case of representations and warranties with a "materiality" qualifier, true and correct in all respects); (v) no Material Adverse Effect shall have occurred and be continuing; (vi) the Debtor shall be in compliance in all material respects with the applicable DIP Documents (including the Proposed Orders); (vii) no Event of Default shall have occurred and be continuing under the DIP Term Sheet or the DIP Documents; (viii) the Borrower shall have delivered to the DIP Lender a customary borrowing notice in form and substance acceptable to the DIP Lender. *See* DIP Term Sheet, Item #15. Condition Precedent to Other Draws. The DIP Documents shall contain conditions precedent as are usual and customary in loan documents for similar debtor-in-possession financings and other conditions precedent deemed by the DIP Lender appropriate to the specific transaction, including, without limitation, that each Other

	Draw shall be subject the following conditions: (i) no Proposed Order, or any provision thereof, shall have been reversed, amended, stayed, vacated, terminated or otherwise modified in any manner without the DIP Lender's prior written consent in its sole discretion, which shall not be unreasonably conditioned or delayed; (ii) delivery of, as applicable, any Budget or Updated Budget, acceptable to the DIP Lender in its reasonable discretion; (iii) no trustee, examiner, or receiver shall have been appointed or designated with respect to any Loan Party or any Loan Party's business, properties, or assets; (iv) the representations and warranties of the Loan Parties under the DIP Documents shall be true and correct in all material respects (or in the case of representations and warranties with a "materiality" qualifier, true and correct in all respects); (v) the Borrower shall have delivered to the DIP Lender a customary borrowing notice in accordance with the DIP Documents; (vi) the Loan Parties shall be in compliance in all material respects with the Proposed Orders; (vii) no default or event of default shall have occurred and be continuing under the DIP Documents; (viii) no order has been entered reversing, amending, staying, vacating, terminating or otherwise materially modifying in any manner any Proposed Order or any provision thereof unless otherwise consented to in writing by the DIP Lender in its sole discretion, which consent shall not be unreasonably conditioned or delayed; (ix) since the date hereof, other than this Chapter 11 Case, there shall not have occurred or there shall not exist any event, condition, or circumstance that, individually, or in the aggregate, (a) has had or would reasonably be expected to have a material adverse effect on the business, operations, properties, assets, performance or financial condition of the Loan Parties taken as a whole, (b) has resulted in, or would reasonably be expected to result in, a material adverse effect on the validity or enforceability of, or the rights, remedies or benefits available to the DIP Lender, or (c) has had or would reasonably be expected to have, a material adverse effect on the ability of the Loan Parties to perform their obligations under any DIP Document (each of the foregoing being a "**Material Adverse Effect**"); (x) all reasonable and documented out-of-pocket costs, fees, expenses (including, without limitation, legal fees and expenses) set forth in the DIP Documents or otherwise required to be paid to the DIP Lender shall have been paid when due; (xi) if the Debtor has entered into, or the Court shall have otherwise approved, an Acceptable Stalking Horse Purchase Agreement, such Acceptable Stalking Horse Purchase Agreement shall be in full force and effect and shall not have been terminated, cancelled, amended, modified, or supplemented without the DIP Lender's prior written consent, which shall not be unreasonably conditioned or delayed; and (xii) a granting to the DIP Lender of DIP Claims and DIP Liens to secure all DIP Obligations pursuant to the applicable provisions in sections 364(c) and 364(d) of

	the Bankruptcy Code shall have occurred and been approved by the Court. *See* DIP Term Sheet, Item #16.
Maturity Bankruptcy Rule 4001(c)(1)(B)	All DIP Obligations shall be due and payable in full in cash ("**Payment in Full**" or such other form of consideration as the DIP Lender and the Borrower may mutually agree) on the earliest of the following (such earliest date, the "**DIP Termination Date**"): (i) December 30, 2026; (ii) the effective date of any chapter 11 plan with respect to the Borrower (a "**Plan**"); (iii) the consummation of the sale or other disposition of all or substantially all of the assets of the Loan Parties pursuant to section 363 of the Bankruptcy Code; provided, however, that, for the avoidance of doubt, the consummation of either the transaction contemplated by the Merope APA or the transactions contemplated by the Lumos APA, in each case individually, shall not constitute a sale or other disposition of all or substantially all of the assets of the Loan Parties; (iv) the date of the acceleration of the DIP Loans and the termination of the DIP Commitments following the occurrence and during the continuation of an Event of Default in accordance with the DIP Documents; (v) dismissal of this Chapter 11 Case, conversion of this Chapter 11 Case into a case under chapter 7 of the Bankruptcy Code, or the appointment of a trustee or examiner in this Chapter 11 Case; and (vi) thirty-five (35) days after the Petition Date, unless the Final Order has been entered by the Court on or prior to such date, unless otherwise extended in writing by the DIP Lender in its sole discretion. *See* DIP Term Sheet, Item #7.
Priority and Security under DIP Facility: Bankruptcy Rule 4001(c)(1)(B)(ii) Local Rule 4001-2(a)(i)(G), (J)	Subject to only the Carve Out and Permitted Liens (as to be defined in the DIP Credit Agreement), all DIP Obligations shall be entitled to, as applicable, (i) a first-priority lien, (ii) a senior first-priority lien on unencumbered assets and property, and (iii) superpriority claim status pursuant to sections 364(c) and 364(d) of the Bankruptcy Code, with senior priority over any and all liens and secured claims, administrative expense claims, other priority claims, and other unsecured claims, of any kind or nature whatsoever, now existing or hereafter arising under the Bankruptcy Code (such superpriority claims, the "**DIP Claims**"); *provided*, *however*, that the DIP Claims shall not have priority over any bid protections approved by the Court in this Chapter 11 Case. Subject to the Carve Out, all DIP Obligations in respect of the DIP Facility shall be, at a minimum: (i) entitled to superpriority claim status in this Chapter 11 Case pursuant to section 364(c)(1) of the Bankruptcy Code (which claims shall be payable from and have recourse to all DIP Collateral); (ii) secured, pursuant to section 364(c)(2) of the Bankruptcy Code, by a valid, enforceable, fully

	perfected and automatic first-priority lien on all DIP Collateral that is not subject to a valid, perfected, non-avoidable lien or security interest (including any such lien or security interest that is perfected after the Petition Date as permitted by section 546(b) of the Bankruptcy Code); and (iii) secured, pursuant to section 364(d)(1) of the Bankruptcy Code, by an automatically perfected first-priority lien on all DIP Collateral that is subject to a valid, perfected, non-avoidable lien or security interest (including any such liens or security interests that are perfected after the Petition Date as permitted by section 546(b) of the Bankruptcy Code). The liens securing the DIP Facility (the "**DIP Liens**") shall mean the liens described above and with the priority set forth in the Proposed Orders. The DIP Liens described herein shall, to the fullest extent permitted by applicable law, be automatically effected and perfected upon entry of the Interim Order and without the necessity of the execution or filing of mortgages, landlord agreements, security agreements, pledge agreements, control agreements, financing statements, or other agreements. *See* DIP Term Sheet, Item #13.
Prepayments Bankruptcy Rule 4001(c)(1)(B) Local Rule 4001-2(a)(i)(I)	Voluntary Prepayments. Optional prepayments of the DIP Loans shall be permitted at any time, subject to (i) allocation of such payment to the ratable portion of the Exit Fee due thereon (which, for the avoidance of doubt, shall be deemed to be due and payable on the date of such voluntary prepayment), (ii) accrued interest on the amount prepaid, and (iii) in minimum amounts of at least $1,000,000 of principal. Mandatory Prepayments. (a) **Dispositions**. Within one (1) business day of the date of receipt by any Loan Party of the Net Cash Proceeds of any disposition (whether through a voluntary or involuntary sale, the loss, destruction, or damage thereof or any actual condemnation, confiscation, requisition, seizure, or taking thereof or otherwise) of DIP Collateral (which, for the avoidance of doubt, shall exclude the disposition of other DIP Collateral in the ordinary course of business), such Loan Party shall prepay such portion of the outstanding amount of the DIP Obligations in accordance with the applicable DIP Documents in an amount equal to 100% of the Net Cash Proceeds (including applicable insurance proceeds, condemnation awards, and payments in lieu thereof) received in connection with such sales or dispositions. Such Net Cash Proceeds shall be applied to the repayment of principal, accrued interest, and the allocable portion of the Exit Fee.

	(b) **Indebtedness**. Within one (1) business day of the date on which a Loan Party receives proceeds of any indebtedness (other than permitted indebtedness set forth in the applicable DIP Documents), such Loan Party shall prepay the outstanding principal amount of the DIP Obligations in accordance with the applicable DIP Documents in an amount equal to 100% of the Net Cash Proceeds received by such Person in connection with the incurrence of such indebtedness, plus the accrued interest and Exit Fee as applied to the principal amount of such prepayment. *See* DIP Term Sheet, Item #11.
Events of Default; Remedies Bankruptcy Rule 4001(c)(1)(B) Local Rule 4001-2(a)(i)(M), (S), (T)	Events of Default are usual and customary for financings of this type, including, without limitation, non-payment of principal, interest, and fees; defaults under affirmative and negative covenants; breaches of representations and warranties; unsatisfied judgments; invalidity or loss of perfection of the DIP Liens; dismissal or conversion of this Chapter 11 Case to a case under chapter 7; failure to obtain entry of the Final Order within thirty five (35) days of the Petition Date; appointment of a chapter 11 trustee or examiner with expanded powers; modification or vacation of the Proposed Orders without DIP Lender consent; cancellation, termination, or amendment of an Acceptable Stalking Horse Purchase Agreement without DIP Lender consent; entry of an order surcharging DIP Collateral under sections 105, 506(c), or any other section of the Bankruptcy Code; and the filing or confirmation of a Plan not in form and substance acceptable to the DIP Lender; reduction or termination of plan exclusivity. Upon the occurrence and continuance of an Event of Default, the DIP Lender shall be entitled to exercise any and all remedies customarily available in this Chapter 11 Case, including without limitation, those remedies customarily available to a senior secured, administrative expense claim of a debtor-in-possession lender (subject to the Carve Out). *See* DIP Term Sheet, Items ##14, 24.
Carve Out Bankruptcy Rule 4001(c)(1)(B) Local Rule 4001-2(a)(i)(F)	"***Carve Out***" shall mean an amount equal to the sum of: (i) all fees required to be paid to the Clerk of the Court and to the U.S. Trustee under section 1930(a) of title 28 of the United States Code plus interest at the statutory rate pursuant to 31 U.S.C. § 3717; (ii) all reasonable fees and expenses up to $50,000 incurred by a trustee under section 726(b) of the Bankruptcy Code; (iii) to the extent allowed by the Court at any time, whether by interim order, procedural order, or otherwise

	(which order has not been vacated or stayed), all unpaid fees and expenses incurred by Persons or firms retained by the Debtor pursuant to section 327, 328, or 363 of the Bankruptcy Code (collectively, the "**Debtor Professionals**") or the Committee, if any, pursuant to section 328 or 1103 of the Bankruptcy Code (the "**Committee Professionals**" and together with Debtor Professionals, the "**Professional Persons**") at any time before or on the first business day following delivery by the DIP Lender of a Carve Out Trigger Notice (as defined below); *provided* that the amounts set forth in clause (iii) shall be subject to the aggregate amounts for Professional Persons in the Budget and any limits under the Proposed Orders (*provided*, that for the avoidance of doubt, Professional Persons may carry forward or roll back budgeted but unused disbursements set forth in the Budget for any week for use in any subsequent or prior week(s), as applicable) (the amounts set forth in clauses (i)-(iii) being the "**Pre-Carve Out Trigger Notice Amounts**"); and (iv) Allowed Professional Fees of Professional Persons in an aggregate amount not to exceed $2,500,000 incurred after the first day following the date of delivery by the DIP Lender of the Carve Out Trigger Notice, to the extent allowed at any time, whether by interim order, procedural order, or otherwise (the amounts set forth in this clause (iv) being the "**Post-Carve Out Trigger Notice Cap**"); *provided*, *however*, that nothing herein shall be construed to impair the ability of any party in interest (including the DIP Lender) to object to the fees, expenses, reimbursement, or compensation described in clauses (i) through (iv) of this paragraph 21(a) on any grounds. In the event that Allowed Professional Fees exceed or are expected to exceed the amounts provided in the Budget, the parties will negotiate in good faith (but without further obligation) regarding a proposed amendment to the Budget to address such additional Allowed Professional Fees. The "**Carve Out Trigger Notice**" shall mean a written notice delivered by email (or other electronic means) by the DIP Lender to counsel to the Debtor, the U.S. Trustee and counsel to the Committee (if any), which notice may be delivered following the occurrence and during the continuation of a DIP Termination Event and the acceleration of the DIP Obligations under the DIP Facility. From and after the Petition Date, the Debtor shall, on Monday of each week, transfer cash proceeds of the DIP Facility or cash on hand into a segregated account (the "**Professional Fees Account**") maintained by the Debtor in an amount equal to the fees and expenses reflected in the Budget for Professional Persons for that week (provided, that the first such transfer shall also include any such fees and expenses reflected in the Budget for any prior weeks). The Professional Fees Account, if applicable, shall be held in trust and used solely to satisfy

	Allowed Professional Fees; *provided*, that the Debtor's obligations to pay Allowed Professional Fees shall not be limited or be deemed limited to funds held in the Professional Fees Account; *provided*, *further* that the Debtor's reversionary interest, if any, in the Professional Fees Account and any funds therein shall be subject to the DIP Liens. On the day on which a Carve Out Trigger Notice is delivered in accordance with this paragraph 21(b) of this Interim Order (the "**Termination Declaration Date**"), the Carve Out Trigger Notice shall constitute a demand to the Debtor to utilize all cash on hand as of such date, including funds in the Professional Fees Account, if applicable (net of any amounts held on retainer by any Professional Persons), and any available cash thereafter held by the Debtor to fund a reserve (the "**Pre-Carve Out Trigger Notice Reserve**") in an amount equal to the then unpaid amounts of the Pre-Carve Out Trigger Notice Amounts accrued on and prior to the Termination Declaration Date. *See* Interim DIP Order ¶ 21(a)-(b).
Modification of Automatic Stay Bankruptcy Rule 4001(c)(1)(B)(iv)	The automatic stay under Bankruptcy Code section 362 shall be modified and lifted to the extent necessary to allow the DIP Lender to provide any notices to the Debtor or take any other action as contemplated by and in accordance with the Interim Order, the DIP Term Sheet, and the other DIP Documents. *See* Interim Order ¶ 13. *See also* DIP Term Sheet, Item #14.
Use of Proceeds Bankruptcy Rule 4001(c)(1)(B) Local Bankr. R. 4001- 2(a)(i)(L)	Subject to any additional restrictions on the use of proceeds set forth in the Proposed Orders, the proceeds of the DIP Loans shall be used in accordance with the Approved Budget (subject to the Permitted Variance) (i) for working capital and general corporate purposes of the Borrower; (ii) professional fees and expenses of the Debtor's estate in administering this Chapter 11 Case; (iii) fees and expenses payable under the DIP Facility; (iv) interest and other amounts payable under the DIP Facility and the DIP Documents; and (v) any other purpose not prohibited by the Orders. *See* DIP Term Sheet, Item #10.
Release Bankruptcy Rule 4001(c)(1)(B)(viii)	The Proposed Orders shall include a customary release of the DIP Lender and its representatives, in their respective capacities as such, with respect to any and all claims and causes of action arising from or related to this Chapter 11 Case, the DIP Facility, and the DIP Documents. *See* DIP Term Sheet, Item #26.

Marshalling and Waiver of 506(c) and 552(b) Claims Bankruptcy Rule 4001(c)(1)(B)(viii) Local Rule 4001-2(a)(i)(C), (V), (W), (X)	The Proposed Orders shall include terms and conditions customary for interim and final DIP financing orders, as applicable, and shall be acceptable to the DIP Lender, in its sole discretion, including, without limitation, waiver of the automatic stay, credit-bidding rights, "no marshaling" provisions and other similar doctrines, and waivers of the "equities of the case" exception and the imposition of costs or right to surcharge the DIP Collateral pursuant to sections 105(a) and 506(c) of the Bankruptcy Code or otherwise, in each case, to the extent applicable. *See* DIP Term Sheet, Item #27.
Other Typical Provisions Bankruptcy Rule 4001(c)(1)(B) Bankruptcy Local Rule 4001-2(a)(i)(D), (H), (L), (N), (O), (P), (Q)	There is no prepetition secured debt, so the DIP Facility does not seek to prime existing debt, limit the use of estate funds to investigate prior liens, cross-collateralize or "roll up" prepetition debt, or otherwise bind the estate with respect to any prepetition debt. Additionally, the DIP Term Sheet does not include any milestones.

17. The Debtor respectfully submits that the foregoing material terms are appropriate as necessary components of the consensual agreement with the DIP Lender regarding the DIP Facility and use of the proceeds thereof (including Cash Collateral). Granting the relief requested herein is critical to the continued operation of the Debtor's business and will maximize the value of the Debtor's estate for all stakeholders by permitting an orderly and efficient sale of the Debtor's assets pursuant to section 363 of the Bankruptcy Code. Accordingly, the material provisions in the Proposed Orders should be approved.

II. Need for the DIP Facility

18. As set forth in the Campbell Declaration, the Debtor has an immediate and critical need to obtain access to the DIP Facility, including on an interim basis, in order to continue the

Debtor's operations and fund the administration of this Chapter 11 Case.

19. As reflected in the Approved Budget attached to the Interim Order as Exhibit 2, the Debtor has an immediate need to access approximately $10.5 million in funding during the interim period, with the balance to be available upon entry of the Final Order, to provide the Debtor with sufficient funds to meet its obligations during this Chapter 11 Case, including to honor ongoing obligations needed to preserve the Debtor's technology and operations in the ordinary course, provide the Debtor sufficient runway to pursue a value-maximizing sale or sales of substantially all of its assets, and fund the administrative expenses of this Chapter 11 Case. The proposed DIP Facility is sized to provide the liquidity to meet these goals in accordance with the Approved Budget, attached to the Interim Order as Exhibit 2.

20. Without access to the DIP Facility, the Debtor will be unable to pay the costs and expenses of administering this Chapter 11 Case, maintain its ongoing operations, meet its payroll obligations, and pursue the Lilly Sale and the Astellas Sale through the postpetition sale process, thereby resulting in irreparable harm to the Debtor's estate and its stakeholders. The DIP Facility will also enable the Debtor to maintain the momentum of its marketing and sale process and avoid disruption that could impair value or chill bidder participation. Therefore, the Debtor has an immediate and critical need to access the funds under the DIP Facility on an interim basis and throughout the pendency of this Chapter 11 Case and hereby requests authority to obtain such financing through the Proposed Orders.

III. Alternative Sources of Financing Are Not Readily Available on Better Terms.

21. Recognizing the need to expeditiously secure financing to fund a value-maximizing postpetition marketing process while also securing the best available financing, the Debtor engaged Raymond James & Associates, Inc. ("**Raymond James**") as its investment banker to canvass the market for debtor in possession financing on the best terms reasonably available under

the facts and circumstances of this Chapter 11 Case.

22. Prior to the Petition Date, Raymond James conducted a formal outreach process, contacting twenty-one (21) potential financing parties across the institutional lending and special situations markets, including sophisticated DIP lenders, specialty credit funds, life sciences lenders, and other parties with experience providing financing in distressed situations. Of the twenty-one (21) parties contacted, more than eight (8) calls were held with interested financing parties, five (5) parties were granted data room access, and five (5) parties executed non-disclosure agreements and were actively engaged in the process.

23. Of those contacted, DIP Lender was the most responsive, submitting three successive proposals, including a formal term sheet on June 16, 2026. In addition, the Company worked with Lilly, in its capacity as the prospective buyer under the Lilly Stalking Horse APA, on a DIP proposal. The Debtor also received and considered a preliminary, non-binding proposal from a third party submitted on the evening of June 20, 2026.

24. The Debtor, with the assistance of Raymond James and its other advisors, carefully evaluated each proposal, taking into account, among other factors, the total amount of financing offered, the proposed fees and other economic terms, and each proposal's ability to provide sufficient liquidity to fund the Debtor's operations and support a value-maximizing sale process. After careful evaluation of each proposal, the Debtor and the Restructuring Committee, in consultation with Raymond James and the Debtor's legal advisors, determined that the DIP Lender's proposal represented the best financing option reasonably available to it under the circumstances, providing the maximum flexibility to pursue the dual-track sale process and to maximize value for all stakeholders.

25. Accordingly, the Debtor believes that it is essential to the success of this Chapter

11 Case, and the culmination of its sale process, that the Debtor receive immediate authority to access the DIP Facility. The Debtor therefore submits that the DIP Facility represents the best terms available to the estate under the facts and circumstances of this Chapter 11 Case and should be approved.

BASIS FOR RELIEF

I. The Debtor Should Be Permitted to Obtain Postpetition Financing Pursuant to Section 364(c) of the Bankruptcy Code

26. Section 364(c) of the Bankruptcy Code requires a finding, made after notice and a hearing, that the debtor seeking postpetition financing on a secured basis cannot "obtain unsecured credit allowable under section 503(b)(1) of [the Bankruptcy Code] as an administrative expense . . ." 11 U.S.C. § 364(c).

27. In evaluating proposed postpetition financing under section 364(c) of the Bankruptcy Code, courts perform a qualitative analysis and generally consider similar factors, including whether:

a. unencumbered credit or alternative financing without superpriority status is available to the debtor;

b. the credit transactions are necessary to preserve assets of the estate;

c. the terms of the credit agreement or term sheet are fair, reasonable, and adequate;

d. the proposed financing agreement was negotiated in good faith and at arm's-length and entry thereto is an exercise of sound and reasonable business judgment and in the best interest of the debtor's estate and its creditors; and

e. the proposed financing agreement adequately protects the prepetition secured creditor.

See, e.g., *In re Los Angeles Dodgers LLC*, 457 B.R. 308, 312 (Bankr. D. Del. 2011) (applying the first three factors); *In re Aqua Assoc.*, 123 B.R. 192, 195-96 (Bankr. E.D. Pa. 1991) (applying the first three factors in making a determination under section 364(c)); *In re Crouse Group, Inc.*, 71

B.R. 544, 546 (Bankr. E.D. Pa. 1987) (same); *Bland v. Farmworker Creditors*, 308 B.R. 109, 113-14 (S.D. Ga. 2003) (applying all factors in making a determination under section 364(d)).

28. For the reasons discussed below, the Debtor satisfies the standards required to obtain postpetition financing under section 364(c) of the Bankruptcy Code.

A. Financing on More Favorable Terms is Not Reasonably Available

29. Whether debtors were unable to obtain unsecured credit is determined by application of a good faith effort standard, and debtors must make a good faith effort to demonstrate that credit was not available without granting a security interest. *See In re YL West 87th Holdings I LLC*, 423 B.R. 421, 441 (Bankr. S.D.N.Y. 2010) ("Courts have generally deferred to a debtor's business judgment in granting section 364 financing."); *In re Gen. Growth Props., Inc.*, 412 B.R. 122, 125 (Bankr. S.D.N.Y. 2009). The required showing under section 364 of the Bankruptcy Code that unsecured credit was not available is not rigorous. *See, e.g.*, *Bray v. Shenandoah Fed. Sav. & Loan Ass'n (In re Snowshoe Co.)*, 789 F.2d 1085, 1088 (4th Cir. 1986) (stating that section 364(d) of the Bankruptcy Code imposes no duty to seek credit from every possible lender, particularly when "time is of the essence in an effort to preserve a vulnerable seasonal enterprise"). When few lenders are likely to be able and willing to extend the necessary credit to a debtor, "it would be unrealistic and unnecessary to require [the debtor] to conduct such an exhaustive search for financing." *In re Sky Valley, Inc.*, 100 B.R. 107, 113 (Bankr. N.D. Ga. 1988); see *In re Ames Dep't Stores*, 115 B.R. 34, 40 (Bankr. S.D.N.Y. 1990) (approving financing facility and holding that the debtor made reasonable efforts to satisfy the standards of section 364(c) where it approached four lending institutions, was rejected by two, and selected the most favorable of the two offers it received).

30. The proposed DIP Facility is the best available financing option under the circumstances. The DIP Lender was not willing to provide debtor in possession financing on an

unsecured basis, nor has any third party presented such a proposal. As discussed above, after careful evaluation, the Debtor and the Restructuring Committee, in consultation with Raymond James and legal advisors, determined that the DIP Lender's proposal was the best reasonably available option, providing maximum flexibility to pursue the dual-track sale process, sufficient liquidity to fund operations, satisfy obligations to employees, vendors, and counterparties, and administer the Chapter 11 case. Accordingly, the Debtor respectfully submits that its efforts to obtain postpetition financing therefore satisfy the standards required under section 364(c) of the Bankruptcy Code. *See, e.g.*, *In re Simasko Production Co.*, 47 B.R. 444, 448-49 (Bankr. D. Colo. 1985) (authorizing interim financing stipulation where debtor's best business judgment indicated financing was necessary and reasonable for benefit of estates); *In re Ames Dep't Stores*, 115 B.R. 34, 38 (Bankr. S.D.N.Y. 1990) (with respect to postpetition credit, courts "permit debtors in possession to exercise their basic business judgment consistent with their fiduciary duties"); *In re Sky Valley, Inc.*, 100 B.R. 107, 113 (Bankr. N.D. Ga. 1988) (where few lenders can or will extend the necessary credit to a debtor, "it would be unrealistic and unnecessary to require [the debtor] to conduct such an exhaustive search for financing").

B. The Proposed Financing Is Necessary to Preserve the Assets of the Debtor's Estate

31. As described above, the Debtor intends to operate its business in the ordinary course while it attempts to sell substantially all its assets to the highest bidder and proceed with the orderly wind down of its remaining business. The Debtor requires the proposed financing to provide the necessary capital with which to operate its business, including funding the Debtor's obligations to employees, and to preserve its business for the benefit of its estate and creditors pending a sale process in this Chapter 11 Case.

32. The Debtor's ability to maintain its business during this Chapter 11 Case and, critically, to support its sale process, is dependent on its ability to continue operating, retain key

employees, and fund ongoing administrative and operational needs. The Debtor does not have sufficient working capital, financing, or available cash collateral to operate its business or administer this Chapter 11 Case absent additional liquidity. Accordingly, cash is necessary for working capital, operating costs and expenses incurred during this Chapter 11 Case, including funding payroll. Without the DIP Facility, the Debtor would be unable to sustain operations or support the marketing and sale effort for its assets, including preserving its remaining operations, maintaining the personnel necessary to support the marketing and diligence process, and continuing to advance its key assets, including those subject to the Lilly Stalking Horse APA and the Astellas Stalking Horse APA. The DIP Facility is therefore essential not only to the Debtor's continued operations, but also to preserving value and enabling a value-maximizing sale process for the benefit of the Debtor's creditors and other stakeholders.

C. The Terms of the Proposed Financing Are Fair, Reasonable, and Appropriate

33. In considering whether the terms of postpetition financing are fair and reasonable, courts consider the terms in light of the relative circumstances and disparate bargaining power of both the debtor and the potential lender. *In re Farmland Indus., Inc.*, 294 B.R. 855, 886 (Bankr. W.D. Mo. 2003); *see also Unsecured Creditors' Comm. Mobil Oil Corp. v. First Nat'l Bank & Trust Co. (In re Ellingsen MacLean Oil Co.)*, 65 B.R. 358, 365 n.7 (W.D. Mich. 1986) (a debtor may have to enter into hard bargains to acquire funds).

34. The terms of the DIP Facility and the Proposed Orders were extensively negotiated between the Debtor and the DIP Lender (including their respective counsel and other advisors), resulting in agreements designed to permit the Debtor to obtain the needed liquidity to maximize the value of its assets through an orderly sale process. The DIP Facility will provide critically needed liquidity to the Debtor in order to run a process that the Debtor and its advisors believe will

maximize value and is on terms and conditions that are fair and reasonable and consistent with the market given the circumstances of this Chapter 11 Case.

35. The Debtor has agreed, subject to Court approval, to pay certain fees to the DIP Lender in connection with the DIP Facility. The fees payable to the DIP Lender and other obligations under the DIP Documents are reasonable and appropriate and give the Debtor access to DIP financing on the most favorable terms on which the DIP Lender would agree to make the DIP Facility available. The Debtor considered these fees when determining in the exercise of its sound business judgment that the DIP Facility constitutes the best terms on which the Debtor could obtain postpetition financing necessary to continue operating its business in this Chapter 11 Case. Consequently, paying these fees to obtain the DIP Facility is in the best interests of the Debtor's estate, creditors and other parties in interest.

36. The DIP Liens and the DIP Superpriority Claims are subject to the Carve Out. Without the Carve Out, the Debtor's estate or other parties in interest could be harmed because the services that professionals might otherwise provide in this Chapter 11 Case could be restricted. *See In re Ames Dep't Stores*, 115 B.R. at 38 (observing that courts insist on carve outs for professionals representing parties in interest because "[a]bsent such protection, the collective rights and expectations of all parties-in-interest are sorely prejudiced"). Additionally, the Carve Out protects against administrative insolvency during the pendency of this Chapter 11 Case by ensuring that funds are available to pay U.S. Trustee's fees and professional fees of the Debtor and any statutory committee. The Debtor therefore believes that the scope of the Carve Out is appropriate and should be approved.

37. As further described above, the terms of the DIP Facility, including the bankruptcy-related covenants and provisions, are designed to provide the Debtor with sufficient flexibility to

pursue value-maximizing sales of its Assets for the benefit of all stakeholders while advancing this Chapter 11 Case on an expedited timeline. Accordingly, the terms of the DIP Documents are fair, reasonable, and appropriate under the circumstances, and should be approved.

II. Entry Into the Proposed Financing Reflects the Debtor's Sound Business Judgment

38. A debtor's decision to enter into a postpetition lending facility under section 364 of the Bankruptcy Code is governed by the business judgment standard. *See, e.g.*, *Trans World Airlines, Inc. v. Travelers Int'l AG (In re Trans World Airlines, Inc.)*, 163 B.R. 964, 974 (Bankr. D. Del. 1994) (approving postpetition credit facility because such facility "reflect[ed] sound and prudent business judgment"); *In re Ames Dep't Stores, Inc.*, 115 B.R. at 38 ("cases consistently reflect that the court's discretion under section 364 is to be utilized on grounds that permit reasonable business judgment to be exercised so long as the financing agreement does not contain terms that leverage the bankruptcy process and powers or its purpose is not so much to benefit the estate as it is to benefit a party-in-interest"). One court has noted that "[m]ore exacting scrutiny [of the debtors' business decisions] would slow the administration of the debtor's estate and increase its cost, interfere with the Bankruptcy Code's provision for private control of administration of the estate, and threaten the court's ability to control a case impartially." *Richmond Leasing Co. v. Capital Bank, N.A.*, 762 F.2d 1303, 1311 (5th Cir. 1985).

39. If an agreement to obtain secured credit does not run afoul of the provisions of, and policies underlying, the Bankruptcy Code, courts give debtors considerable deference in acting in accordance with their sound business judgment in obtaining postpetition credit. *See*, *e.g.*, *In re Trans World Airlines, Inc.*, 163 B.R. 964, 974 (Bankr. D. Del. 1994) (approving a postpetition loan and receivables facility because such facility "reflect[ed] sound and prudent business judgment"); *In re L.A. Dodgers LLC*, 457 B.R. 308, 313 (Bankr. D. Del. 2011) ("[C]ourts will almost always defer to the business judgment of a debtor in the selection of the lender."). To

determine whether the business judgment test is met, a court need only "examine whether a reasonable business person would make a similar decision under similar circumstances." *In re AbitiBowater Inc.*, 418 B.R. 815, 831 (Bankr. D. Del. 2009); *see also In re Curlew Valley Assocs.*, 14 B.R. 506, 513–14 (Bankr. D. Utah 1981) (noting that courts should not second-guess a debtor's business decision when that decision involves "a business judgment made in good faith, upon a reasonable basis, and within the scope of [the debtor's] authority under the [Bankruptcy] Code"). In considering whether the terms of postpetition financings are fair and reasonable, courts consider the terms in light of the relative circumstances of both the debtor and the potential lender. *In re Farmland Indus., Inc.,* 294 B.R. 855, 880 (Bankr. W.D. Mo. 2003). The Court may also appropriately take into consideration non-economic benefits offered to the Debtor by a proposed postpetition facility. *In re Ion Media Networks, Inc.*, No. 09-13125, 2009 WL 2902568, at *4 (Bankr. S.D.N.Y. July 6, 2009).

40. Here, the Debtor's sound business judgment supports the Debtor's entry into the DIP Facility to gain access to needed funding and maximize value for all constituents. The Debtor's decision to agree to the terms of the DIP Facility is reasonable under the circumstances, where no viable alternative financing is available on better terms and where the Debtor's need for liquidity is immediate in order to avoid an irreparable harm. As the Approved Budget reflects, use of available cash alone will be insufficient to fund this Chapter 11 Case or otherwise allow the Debtor to continue operations. Because the DIP Facility will preserve the Debtor's estate as a going concern through the entirety of the proposed sale process, thus maximizing value for the Debtor's estate for the benefit of all creditors and other parties in interest, it represents the best course for the Debtor's stakeholders. Thus, the Court should authorize the Debtor's entry into the DIP Documents as a reasonable exercise of the Debtor's sound business judgment.

III. The DIP Lender Is Extending Credit in Good Faith

41. Section 364(e) of the Bankruptcy Code protects a good faith lender's right to collect on loans extended to a debtor, and its rights with respect to liens securing those loans, even if the authority of the debtor to obtain such loans or grant such liens is later reversed or modified on appeal. Specifically, section 364(e) provides that:

> The reversal or modification on appeal of an authorization under this section to obtain credit or incur debt, or of a grant under this section of a priority or a lien, does not affect the validity of any debt so incurred, or any priority or lien so granted, to an entity that extended such credit in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and the incurring of such debt, or the granting of such priority or lien, were stayed pending appeal.

11 U.S.C. § 364(e).

42. As described herein and in the Declarations, the Debtor and the DIP Lender negotiated the DIP Facility and the Interim Order at arm's length and good faith. The terms and conditions of the DIP Facility are not only fair and reasonable, but the proceeds of the DIP Facility (including Cash Collateral) will be used only for purposes that are permissible under the Bankruptcy Code and approved in the Approved Budget. Accordingly, the Court should find that the DIP Lender is a "good faith" lender within the meaning of section 364(e) of the Bankruptcy Code and is entitled to all of the protections afforded by that section.

IV. The Automatic Stay Should be Vacated or Modified to the Extent Necessary

43. The DIP Documents and the Interim Order contemplate that the automatic stay arising under section 362 of the Bankruptcy Code shall be vacated or modified to the extent necessary to permit the DIP Lender to exercise, upon the occurrence and during the continuation of any Event of Default, but subject to any applicable notice requirements in the Interim Order, all rights and remedies provided for in the DIP Documents, without further order of or application to

the Court.

44. Stay modification provisions of this sort are ordinary features of debtor-in-possession financing and, in the Debtor's sound business judgment, are reasonable under the circumstances of this Chapter 11 Case. *See, e.g.*, *In re Accuride Corporation*, No. 24-12289 (JKS) (Bankr. D. Del. Feb. 6, 2025) (modifying automatic stay as necessary to effectuate the terms of the order); *In re American Tire Distributors, Inc.*, No. 24-12391 (CTG) (Bankr. D. Del. Nov. 11, 2024) (same); *In re Wheel Pros, LLC*, No. 24-11939 (JTD) (Bankr. D. Del. Sept. 10, 2024) (same); *In re Hoyos Integrity Corp.*, No. 22-10365 (MFW) (Bankr. D. Del. Jun. 24, 2022) (same); *In re Gulf Coast Health Care LLC*, No. 21-11336 (KBO) (Bankr. D. Del. Dec. 2, 2021) (same).

V. Immediate Access to the DIP Facility Should be Approved

45. The Court may grant interim relief in respect of a motion filed pursuant to section 364 of the Bankruptcy Code if, as here, interim relief is "necessary to avoid immediate and irreparable harm to the estate pending a final hearing." Fed. R. Bankr. P. 4001(c)(2). In examining requests for interim relief under this rule, courts generally apply the same business judgment standard applicable to other business decisions. *See In re Ames Dep't Stores*, 115 B.R. at 40.

46. Here, the Debtor and its estate will suffer immediate and irreparable harm if the interim relief requested herein is not granted promptly. As set forth in the Declarations, the urgent need to preserve the Debtor's business, and thereby avoid immediate and irreparable harm to the Debtor's estate, makes it imperative that the Debtor be authorized to obtain postpetition financing as soon as possible, pending the Final Hearing. Without the ability to obtain access to such funding, the Debtor would be unable to meet its postpetition obligations, including payroll obligations, and otherwise would be unable to fund its working capital needs, thus causing irreparable harm to the value of the Debtor's estate and ending the Debtor's efforts to maintain operations through an orderly sale process.

47. Accordingly, the Debtor respectfully requests that, pending the hearing on the Final Order, the Interim Order be approved in all respects and that the terms and provisions of the Interim Order be implemented and be deemed binding and that, after the Final Hearing, the Final Order be approved in all respects and the terms and provisions of the Final Order be implemented and be deemed binding.

REQUEST FOR FINAL HEARING

48. Pursuant to Bankruptcy Rules 4001(b)(2) and 4001(c)(2), the Debtor requests that the Court schedule a Final Hearing with respect to the relief requested herein and fix the time and date prior to the Final Hearing for parties to file objections to this DIP Motion. The Debtor requests that it be authorized to serve a copy of the approved Interim Order fixing the time and date for filing of any objections by first class mail and e-mail upon the noticed parties listed below. The Debtor further requests that the Court consider such notice of the Final Hearing to be sufficient under Bankruptcy Rule 4001(c)(2).

IMMEDIATE RELIEF IS NECESSARY

49. Bankruptcy Rule 6003 provides that the relief requested in this DIP Motion may be granted within the first twenty-one (21) days after commencement of a chapter 11 if the "relief is necessary to avoid immediate and irreparable harm." The Debtor submits that for the reasons already set forth herein, the relief requested in this DIP Motion is necessary to avoid immediate and irreparable harm to the Debtor. Accordingly, the Debtor submits that it has satisfied the "immediate and irreparable harm" standard of Bankruptcy Rule 6003 and, therefore, respectfully request that the Court approve the relief requested in this DIP Motion.

REQUEST FOR BANKRUPTCY RULE 6004 WAIVERS

50. The Debtor requests a waiver of any applicable notice requirements under Bankruptcy Rule 6004(a) and any stay of the order granting the relief requested herein pursuant to

Bankruptcy Rule 6004(h). As explained above and in the Declarations, the relief requested herein is necessary to avoid immediate and irreparable harm to the Debtor's sale process and to preserve and maximize the value of the Debtor's estate for all stakeholders. Accordingly, ample cause exists to justify the waiver of the notice requirements under Bankruptcy Rule 6004(a) and the 14-day stay imposed by Bankruptcy Rule 6004(h), to the extent such notice requirements and such stay apply.

RESERVATION OF RIGHTS

51. Nothing contained herein or any action taken pursuant to relief requested is intended to be or shall be construed as (a) an admission as to the validity of any claim against the Debtor; (b) a waiver of the Debtor's or any party in interest's rights to dispute the amount of, basis for, or validity of any claim or interest under applicable law or nonbankruptcy law; (c) a promise or requirement to pay any claim; (d) a waiver of the Debtor's or any other party in interest's rights under the Bankruptcy Code or any other applicable law; or (e) a request for or granting of approval for assumption of any agreement, contract, program, policy, or lease under section 365 of the Bankruptcy Code. Likewise, if the Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended to be and should not be construed as an admission to the validity of any claim or a waiver of the Debtor's or any party in interest's rights to subsequently dispute such claim.

NOTICE

52. Notice of this DIP Motion has been given to (i) the U.S. Trustee; (ii) holders of the twenty (20) largest unsecured claims against the Debtor; (iii) the United States Attorney's Office for the District of Delaware and all other states in which the Debtor operates; (iv) the Internal Revenue Service; (v) counsel to the DIP Lender; and (vi) all known parties with liens of record on assets of the Debtor as of the Petition Date; and (vii) any other party that has requested notice

pursuant to Bankruptcy Rule 2002. Notice of this DIP Motion and any order entered hereon will be served in accordance with Local Rule 9013-1(m). The Debtor submits that, in light of the nature of the relief requested, no other or further notice need be given.

[*Remainder of Page Intentionally Left Blank*]

WHEREFORE, for the reasons set forth herein and in this DIP Motion, the Debtor respectfully requests entry of the Interim Order, substantially in the form attached hereto as **Exhibit A**, granting the relief requested herein and such other relief the Court deems just and proper.

Dated: June 23, 2026
Wilmington, Delaware

/s/ Daniel J. DeFranceschi

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Proposed Counsel for the Debtor and Debtor in Possession

Exhibit A

Proposed Interim Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
SANGAMO THERAPEUTICS, INC.	)	Case No. 26-_____ (___)
Debtor.[1]	)	

INTERIM ORDER (A) AUTHORIZING THE DEBTOR TO OBTAIN POSTPETITION FINANCING, (B) GRANTING LIENS AND PROVIDING CLAIMS WITH SUPERPRIORITY ADMINISTRATIVE EXPENSE STATUS, (C) MODIFYING AUTOMATIC STAY, (D) SCHEDULING FINAL HEARING, AND (E) GRANTING RELATED RELIEF

Upon the motion (the "**Motion**") of the debtor and debtor-in-possession (the "**Debtor**") in the above-captioned chapter 11 case (the "**Chapter 11 Case**"), pursuant to sections 105, 361, 362, 363, 364, 503, 506, and 507 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the "**Bankruptcy Code**"), Rules 2002, 4001, 6003, 6004, and 9014 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), and Rule 2002-1, 4001-2, and 9013-1 of the Local Rules of the United States Bankruptcy Court for the District of Delaware (the "**Local Rules**") promulgated by the United States Bankruptcy Court for the District of Delaware (the "**Court**"), seeking entry of an interim order (this "**Interim Order**") and a Final Order (as defined below), that, among other things:

(a) authorizes the Debtor to obtain postpetition financing on a senior secured superpriority basis, on the terms and conditions set forth herein and the term sheet attached as **Exhibit 1** hereto (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time in accordance with the terms thereof, the "**DIP Term Sheet**"),[2] by and among the Debtor and Northridge ATM, LLC ("**Northridge**") and its subsidiaries, affiliates, designees, and assignees

[1] The last four digits of the Debtor's federal tax identification number are 9556. The Debtor's principal office is located at 501 Canal Boulevard, Suite A100, Richmond, CA 94084.

[2] Capitalized terms used but not defined in this Interim Order shall have the meanings ascribed to such terms in the DIP Term Sheet.

(together with Northridge, the "**DIP Lender**"), comprising a senior secured superpriority debtor-in-possession term loan facility in an aggregate principal amount of up to $30,000,000, *plus* applicable fees and premiums (the "**DIP Facility**"; and the commitments thereunder, the "**DIP Commitments**" and, the term loans extended thereunder, the "**DIP Loans**"), pursuant to which (i) up to $10,500,000 of the DIP Commitments (the "**Interim DIP Loans**") shall be available upon the entry of the Interim Order and (ii) up to the full amount of the DIP Commitments *less* amount(s) drawn under the Interim DIP Loans (the "**Subsequent DIP Loans**" and, together with the Interim DIP Loans, the "**DIP Borrowings**" and, each, a "**DIP Borrowing**") shall be available upon the entry of the Final Order, in each case solely upon compliance with the Interim Order or Final Order (as applicable), the Budget (as defined below) (subject to the Permitted Variance (as defined below)), the DIP Term Sheet, and, as applicable, the credit agreement for the DIP Facility (as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof, the "**DIP Credit Agreement**" and, together with any ancillary, collateral, or related documents and agreements, as the case may be, and the DIP Orders, each as amended, restated, supplemented, or otherwise modified from time to time in accordance with the terms thereof, the "**DIP Documents**");

(b) authorizes the Debtor, on an interim basis, to: (i) execute, deliver, and perform under the DIP Term Sheet and the other DIP Documents, as applicable, and to perform all such other and further acts as may be required in connection therewith; (ii) incur all loans, advances, extensions of credit and financial accommodations, and pay all principal, interest, premiums or similar amounts, fees (including, without limitation, the Commitment Fee, the Exit Fee, and the Work Fee (in each case in accordance with and as defined in the DIP Term Sheet)), costs, expenses, charges, indemnification and reimbursement obligations (whether contingent or absolute), and all other obligations or amounts, whether or not such obligations arose before or after the Petition Date (as defined below), whenever the same shall become due, whether at stated maturity, by mandatory prepayment, declaration, acceleration, or otherwise, in each case, in accordance with the DIP Term Sheet and this Interim Order (collectively, the "**DIP Obligations**"); and (iii) perform such other and further acts as may be necessary, required, or desirable to implement and effectuate the terms of this Interim Order, the DIP Term Sheet, the other DIP Documents, and the transactions contemplated thereunder;

(c) authorizes the Debtor, on an interim basis, to grant to the DIP Lender the DIP Liens (as defined below) in all DIP Collateral (as defined below), as set forth in this Interim Order, subject to the Carve Out (as defined below), and subject to the relative priorities set forth in this Interim Order;

(d) authorizes the Debtor, on an interim basis, to grant to the DIP Lender, allowed superpriority administrative expense claims pursuant to section 364(c)(1) of the Bankruptcy Code, as well as liens pursuant to sections 364(c)(2) and 364(c)(3) of the Bankruptcy Code, and liens pursuant to section 364(d) of the Bankruptcy Code, as further described herein, on all DIP Collateral and all proceeds thereof

(including, without limitation, Avoidance Action Assets (as defined below), Cash Collateral (as defined below), all cash and cash equivalents and other amounts from time to time on deposit or maintained by the Debtor in any deposit or securities account or accounts as of the Petition Date), against the Debtor in respect of all DIP Obligations, subject to the Carve Out, as set forth in this Interim Order;

(e) authorizes the Debtor, on an interim basis, to use the proceeds of the DIP Facility and the DIP Collateral (including Cash Collateral), in accordance with the terms and conditions set forth in this Interim Order, the DIP Term Sheet, and the other DIP Documents, and strictly in accordance with the Budget, subject to any variances expressly permitted under the DIP Term Sheet (the "**Permitted Variance**");

(f) modifies the automatic stay imposed by section 362 of the Bankruptcy Code or otherwise, to the extent necessary, required or desirable to implement and effectuate the terms and provisions of this Interim Order and the DIP Term Sheet, as set forth herein or therein;

(g) waives any applicable stay (including under Bankruptcy Rule 6004) with respect to the effectiveness and enforceability of this Interim Order and provides for the immediate effectiveness of this Interim Order;

(h) approves certain stipulations, waivers, and releases by the Debtor (and its applicable related parties and representatives) with respect to, *inter alia*, the DIP Lender, the DIP Term Sheet, the DIP Liens, and the DIP Obligations;

(i) subject to entry of the Final Order, approves the Debtor's waiver of the right to surcharge the DIP Collateral as to the DIP Lender pursuant to section 506(c) of the Bankruptcy Code or otherwise;

(j) subject to entry of the Final Order, approves the Debtor's waiver of the equitable doctrine of "marshaling" and other similar doctrines with respect to the DIP Collateral;

(k) (i) approves, on a final basis, the Commitment Fee, the Exit Fee, and the Work Fee, in this Interim Order, and further (ii) authorizes and directs the Debtor to make non-refundable, irrevocable, and final payments on account of the principal, interest, fees (including, the Commitment Fee, the Exit Fee, and the Work Fee, in each case, in accordance with the DIP Term Sheet), expenses and other amounts payable under the DIP Term Sheet, each as applicable, as such become due and payable, all to the extent provided in, and in accordance with, this Interim Order and the DIP Term Sheet; and

(l) schedules a final hearing (the "**Final Hearing**") on the Motion to consider entry of a final order (the "**Final Order**") authorizing the relief requested in the Motion on a final basis and approving the form of notice with respect to such Final Hearing, which order shall be in form and substance and on terms and conditions acceptable in all respects to the DIP Lender.

The Court, having considered the Motion, the DIP Term Sheet, the exhibits attached thereto, the declarations filed in support thereof, the evidence submitted, and the arguments proffered or adduced at the interim hearing held before this Court on June 24, 2026 (the "**Interim Hearing**"), and upon the record of the Chapter 11 Case; and all objections, if any, to the relief requested in the Motion having been withdrawn, resolved, or overruled by the Court; and the Court having determined that the legal and factual bases set forth in the Motion and at the Interim Hearing established just cause for the relief granted herein; and it appearing to the Court that granting the interim relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtor and its estate, and otherwise is fair and reasonable, and represents a sound exercise of the Debtor's business judgment, and is necessary for the continued operation of the Debtor's business; and after due deliberation and consideration, and for good and sufficient cause appearing therefor:

THE COURT HEREBY MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:[3]

A. *Petition Date*. On June 23, 2026 (the "**Petition Date**"), the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in this Court commencing the Chapter 11 Case.

B. *Debtor-in-Possession*. The Debtor continues to manage and operate its business and properties as debtor-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. As of the date hereof, no trustee or examiner has been appointed in the Chapter 11 Case.

[3] The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent that any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

C. *Committee Formation*. As of the date hereof, the Office of the United States Trustee (the "**U.S. Trustee**") has not appointed an official statutory committee of unsecured creditors in the Chapter 11 Case pursuant to section 1102 of the Bankruptcy Code (the "**Committee**").

D. *Jurisdiction and Venue*. This Court has jurisdiction over the Chapter 11 Case, the Motion, and the parties and property affected hereby pursuant to 28 U.S.C. § 1334. This Court's consideration of the Motion constitutes a core proceeding pursuant to 28 U.S.C. § 157(b)(2). The Court may enter a final order consistent with Article III of the United States Constitution. Venue for the Chapter 11 Case and the proceedings on the Motion is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory and legal predicates for the relief set forth herein are sections 105, 361, 362, 363, 364, 503, 506, and 507 of the Bankruptcy Code, Bankruptcy Rules 2002, 4001, 6003, 6004, 9013 and 9014, and Local Rules 2002-1, 4001-2 and 9013-1.

E. *Debtor's Stipulations, Releases and Acknowledgements Regarding DIP Lender and the DIP Facility*. In requesting the DIP Facility, and in exchange for and as a material inducement to the DIP Lender to provide the DIP Facility, the Debtor, for itself, its estate, and all representatives of its estate, admits, stipulates, acknowledges and agrees as follows:

(i) No Control. The DIP Lender does not control the Debtor or its properties or operations, does not have authority to determine the manner in which the Debtor's operations are conducted, and is not a control person or insider (as defined in the Bankruptcy Code) of the Debtor or any of its affiliates by virtue of any of the actions taken in connection with this Interim Order, the DIP Facility, the DIP Liens, the DIP Superpriority Claims (as defined below), the DIP Collateral, the DIP Obligations, the DIP Term Sheet, or the transactions contemplated thereunder or hereunder.

(ii) No Claims, Defenses, or Causes of Action. As of the date hereof, there exist no claims, defenses or any other Cause of Action[4] of any nature or description whatsoever

[4] The term "***Cause of Action***" means any action, cause of action, claim, counter-claim, cross-claim, defense, account, objection, challenge, offset, setoff, demand, liability, responsibility, dispute, remedy, indebtedness, obligation, guaranty, right, interest, indemnity, assertion, allegation, suit, controversy, proceeding, loss, damage, injury, reimbursement obligation, attorneys' fees, costs, expenses or judgments of every type, whether known or

that may be asserted by the Debtor, its estate, predecessors, successors and assigns, against the DIP Lender or any of its current, former and future affiliates, subsidiaries, funds or managed accounts, officers, directors, managers, members, equity holders, partners, principals, employees, representatives, agents, attorneys, advisors, consultants and other professionals, and the predecessors in interest, successors and assigns of each of the foregoing (collectively, the "**Representatives**"), in their capacities as such, in each case, arising from, in connection with, or related to this Interim Order, the DIP Facility, the DIP Liens, the DIP Superpriority Claims, the DIP Collateral, the DIP Obligations, the DIP Term Sheet, or the transactions contemplated thereunder or hereunder.

(iii) Releases. Effective as of the date of entry of this Interim Order, the Debtor, on behalf of itself and its estate, and each Guarantor to the maximum extent permitted by applicable law, hereby absolutely, unconditionally and irrevocably releases and forever discharges and acquits the DIP Lender and its Representatives (in their capacities as such) of and from any and all Causes of Action that the Debtor, its estate, and/or each Guarantor, and each of their respective estates, predecessors, successors and assigns at any time had, now have or that their respective successors and assigns may have against the DIP Lender and its Representatives for or by reason of any act, omission, matter, cause or thing whatsoever arising at any time prior to the date of this Interim Order, in each case, arising under, in connection with or related to this Interim Order, the DIP Facility, the DIP Liens, the DIP Superpriority Claims, the DIP Collateral, the DIP Obligations, the DIP Term Sheet or the transactions contemplated thereunder or hereunder, including, without limitation, (a) any claim or Cause of Action seeking avoidance, whether under chapter 5 of the Bankruptcy Code, any applicable Uniform Voidable Transfer Act, Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act, or other similar state or federal statute, common law, or otherwise ("**Avoidance Actions**"), (b) any so-called "lender liability" or equitable subordination claims or defenses, (c) any claims or Causes of Action arising under the Bankruptcy Code, (d) any claims or Causes of Action seeking reduction, setoff, offset, recoupment, recharacterization, subordination (whether equitable, contractual or otherwise), reclassification, disgorgement, disallowance, impairment, marshaling, surcharge, recovery or any other challenge arising under the Bankruptcy Code or applicable non-bankruptcy law with respect to this Interim Order, the DIP Facility, the DIP Liens, the DIP Superpriority Claims, the DIP Collateral, the DIP Obligations, the DIP Term Sheet or the transactions contemplated thereunder or hereunder, or (e) any claim or Cause of Action with respect to the validity, enforceability, extent, amount, perfection or priority of the DIP Facility, the DIP Liens, the DIP Superpriority Claims, the DIP Collateral, the DIP Obligations, the DIP Term Sheet or the transactions contemplated thereunder or hereunder; *provided*, *however*, that nothing contained in this subparagraph (iii) shall relieve the DIP Lender from fulfilling any of its commitments under, and in accordance with, the DIP Term Sheet.

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unknown, asserted or unasserted, suspected or unsuspected, foreseen or unforeseen, accrued or unaccrued, liquidated or unliquidated, fixed or contingent, pending or threatened, whether assertable directly or derivatively, including, without limitation, all legal and equitable theories of recovery, arising under the Bankruptcy Code or applicable non-bankruptcy law, whether local, state or federal U.S. or foreign common law, statute, law, rule, regulation, or by contract, of every nature or description whatsoever.

(iv) Cash Collateral. Any and all of the Debtor's cash, whether existing as of the entry of this Interim Order or thereafter, wherever located (including, without limitation, all cash, cash equivalents and other amounts on deposit or maintained by the Debtor in any accounts with any depositary institution), whether as DIP Collateral, arising from the sale or other disposition of DIP Collateral, or proceeds of other DIP Collateral, or cash, rents, income, offspring, products, proceeds or profits generated from the DIP Collateral or the DIP Loans, constitutes "cash collateral" within the meaning of section 363(a) of the Bankruptcy Code (the "**Cash Collateral**") of the DIP Lender.

F. *Good Cause*. Good cause has been shown for the entry of this Interim Order, and the entry of this Interim Order is in the best interests of the Debtor, its estate, its creditors, and other parties in interest. The relief requested in the Motion is fair and reasonable and in the best interest of the Debtor and its estate, and essential for the continued operation of the Debtor's business and the preservation of the value of the Debtor's assets.

G. *Need for Postpetition Financing and Use of Cash Collateral*. The Debtor has an immediate and critical need to obtain postpetition financing pursuant to the DIP Facility and use Cash Collateral on an interim basis, in order to, among other things, (i) pay the fees, costs, and expenses incurred in connection with the Chapter 11 Case; (ii) fund any obligations benefiting from the Carve Out; (iii) continue the orderly operation of its business for the benefit of all its stakeholders; (iv) maintain business relationships with customers, vendors, and suppliers; (v) make payroll for its employees; and (vi) satisfy other working capital and operational needs, in each case, in accordance with and subject to the terms and conditions of this Interim Order and the DIP Term Sheet, including the Budget (subject to the Permitted Variance). The Debtor's access to sufficient working capital and liquidity through the incurrence of loans and other financial accommodations under the DIP Facility and the use of Cash Collateral is necessary and vital to, among other things, preserve and maximize the value of the Debtor and its estate. The Debtor and its estate will be immediately and irreparably harmed if the financing under the DIP Facility is not obtained pursuant to the terms of this Interim Order and, as applicable, the DIP Term Sheet. Entry

of this Interim Order is necessary and appropriate to avoid such harm to the Debtor, its estate, and other parties in interest.

H. *No Credit Available on More Favorable Terms*. The Debtor is unable to obtain financing or other financial accommodations from sources other than the DIP Lender on terms more favorable than those provided under the DIP Facility, the DIP Term Sheet and this Interim Order. The Debtor is unable to obtain adequate unsecured credit allowable as an administrative expense under section 503(b)(1) of the Bankruptcy Code. The Debtor is also unable to obtain adequate secured credit for money borrowed under sections 364(c)(1), 364(c)(2) and 364(c)(3) of the Bankruptcy Code without, among other things, the Debtor granting (i) the DIP Liens on all DIP Collateral, (ii) the DIP Superpriority Claims, and (iii) certain rights, benefits and protections to the DIP Lender, in each case, upon the terms and conditions set forth in this Interim Order and in the DIP Term Sheet. After considering all available alternatives, the Debtor has properly concluded, in the exercise of its sound business judgment, that the DIP Facility represents the best source of debtor-in-possession financing available at this time and is in the best interests of all stakeholders.

I. *Use of DIP Facility Proceeds and Cash Collateral*. As a condition to providing the DIP Facility and its consent to the use of Cash Collateral, the DIP Lender required, and the Debtor has agreed, that all proceeds of the DIP Loans and all Cash Collateral shall be used and/or applied solely for the purposes and in the amounts expressly permitted in the Budget (subject to the Permitted Variance), including, without limitation, (i) to pay the costs of administration of the Chapter 11 Case, (ii) for general corporate and working capital purposes, and (iii) to pay professional fees and expenses in accordance with this Interim Order, in each case, in accordance

with and subject to the terms and conditions of this Interim Order and the DIP Term Sheet, including the Budget (subject to the Permitted Variance).

J. *Limitation on Charging Expenses against Collateral*. As a material inducement to the DIP Lender's agreement to provide the DIP Facility and that its liens and superpriority claims shall be subject to payment of the Carve Out, subject to entry of the Final Order, the DIP Lender is entitled to (i) a waiver of the equitable doctrine of "marshaling" or any similar doctrine with respect to the DIP Collateral and the DIP Obligations, and (ii) a waiver of the provisions of section 506(c) of the Bankruptcy Code or any similar applicable law with respect to the DIP Collateral.

K. *Proper Exercise of Business Judgment*. Based on the Motion, the evidence submitted, and the record presented to the Court at the Interim Hearing, the terms of the DIP Facility (i) were negotiated in good faith and at arm's length among the Debtor, the DIP Lender, and their respective advisors, (ii) are fair, reasonable, and the best available to the Debtor under the circumstances, (iii) reflect the Debtor's exercise of prudent business judgment consistent with its fiduciary duties, and (iv) are supported by reasonably equivalent value and fair consideration. Absent access to the DIP Facility upon the terms set forth in this Interim Order, the DIP Term Sheet, including the Budget (subject to the Permitted Variance), the Debtor, its estate, its creditors, and other parties-in-interest will be seriously, immediately, and irreparably harmed.

L. *Good Faith*. The DIP Facility and the terms of the DIP Term Sheet and this Interim Order have been negotiated in good faith and at arm's length among the Debtor, the DIP Lender, and their respective advisors and Representatives, and all of the Debtor's obligations and indebtedness arising under, in respect of, or in connection with, the DIP Facility, the DIP Term Sheet and this Interim Order, including, without limitation, all loans, advances, extensions of credit and other financial accommodations made and guarantees issued pursuant to the DIP Term Sheet,

shall each be deemed to have been extended by the DIP Lender and each of its affiliates, in good faith, as that term is used in section 364(e) of the Bankruptcy Code, and in express reliance upon the protections offered by section 364(e) of the Bankruptcy Code, and each of the claims, liens and security interests, rights, remedies, benefits and protections granted to the DIP Lender (and each of the successors and assigns thereof) pursuant to this Interim Order and the DIP Term Sheet (including, without limitation, all DIP Obligations, DIP Liens, and DIP Superpriority Claims), shall be entitled to the protection of section 364(e) of the Bankruptcy Code to the fullest extent available under applicable law.

M. *Initial DIP Budget*. The Debtor has prepared and delivered to the DIP Lender and its advisors an initial budget, a copy of which is attached to this Interim Order as **Exhibit 2** hereto (together with any additional line-item or other detail and supplements as may be provided pursuant to the terms of the DIP Term Sheet and the other DIP Documents, the "**Initial DIP Budget**"). The Initial DIP Budget reflects, among other things, for the 13-week period commencing on or around the week of entry of this Interim Order, the Debtor's projected operating receipts, operating disbursements, non-operating disbursements, net operating cash flow, and liquidity for each one-week period covered thereby. The Initial DIP Budget may be modified, amended, extended, and updated from time to time in accordance with the DIP Term Sheet, and such modified, amended, extended, and/or updated budget, once approved (or deemed approved) by the Debtor and the DIP Lender shall modify, replace, supplement or supersede, as applicable, the Initial DIP Budget for the periods covered thereby (the Initial DIP Budget and each subsequent approved budget (including any additional line-item or other detail and supplements as may be provided pursuant to the terms of the DIP Term Sheet or the DIP Credit Agreement, as applicable) shall constitute, without duplication, a "**Budget**"). For purposes of this Interim Order, the Initial

DIP Budget shall be the Budget (unless and until such budget is modified in accordance with the DIP Term Sheet). The Budget has been prepared by the Debtor, its management, and its advisors. The Debtor believes that the Budget is reasonable under the circumstances. The DIP Lender is relying, in part, on the Debtor's agreement to comply with the Budget (subject only to the Permitted Variance) and the terms of this Interim Order and the other DIP Documents in determining to enter into the DIP Facility and, thereafter, to consent to the use of Cash Collateral as provided for herein.

N. *Notice*. Notice of the Motion and the Interim Hearing complies with section 102(1) of the Bankruptcy Code, Bankruptcy Rules 2002, 4001(b) and (c), and 9014, and the Local Rules.

O. *Immediate Entry*. The Debtor has requested immediate entry of this Interim Order pursuant to Bankruptcy Rules 4001(b)(2), 4001(c)(2), and 6003, and the Local Rules. Unless the relief set forth in this Interim Order is granted, the Debtor's estate will be immediately and irreparably harmed. Consummation of the DIP Facility and the use of Cash Collateral upon the terms set forth in this Interim Order and the DIP Term Sheet is consistent with the Debtor's exercise of its fiduciary duties. Sufficient cause exists for immediate entry of this Interim Order pursuant to Bankruptcy Rules 4001(b)(2) and (c)(2) and the Local Rules. The Motion and this Interim Order comply with the requirements of Local Rule 4001-2.

NOW THEREFORE, based upon the foregoing findings and conclusions, the Motion, the declarations filed in support of the Motion, the evidence adduced at the Interim Hearing and the record before the Court, and after due consideration, and good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. *Motion Granted*. The Motion is hereby granted, on an interim basis, upon the terms and conditions set forth in this Interim Order and the DIP Term Sheet. Any objections or other statements with respect to any of the relief set forth in this Interim Order that have not been withdrawn, waived, or settled, and all reservations of rights inconsistent with this Interim Order, are hereby denied and overruled. This Interim Order shall become effective and enforceable immediately upon its entry.

2. *Authorization of DIP Facility and DIP Term Sheet.*

(a) Authorization of DIP Term Sheet. The Debtor is authorized to enter into the DIP Facility on an interim basis. The Debtor is hereby authorized to (i) execute, deliver and perform all of its obligations under the DIP Term Sheet, the other DIP Documents (as the case may be), and this Interim Order; and (ii) execute, deliver and perform under any and all other instruments, certificates, agreements and other documents (including, without limitation, the execution and/or recordation of collateral, pledge and security documents, mortgages and deeds of trust (if applicable) and financing statements), and perform all such other and further acts that, may be necessary, required or desirable for the Debtor to perform its obligations under the DIP Facility, the DIP Term Sheet, the other DIP Documents (as the case may be), and this Interim Order and to implement the transactions contemplated thereunder and hereunder.

(b) Authorization to Borrow Interim DIP Loans and Use Cash Collateral. The Debtor is hereby authorized to borrow the Interim DIP Loans (*plus* applicable interest, premiums (including, without limitation, the Commitment Fee, the Work Fee, and the Exit Fee, which are approved on a final basis), fees (including professional fees and expenses), costs, expenses, charges and other amounts payable hereunder and under the DIP Term Sheet), subject to the terms

and conditions (including any payment priorities and any availability limitations and conditions precedent to such DIP Borrowing) set forth in the DIP Term Sheet and this Interim Order. The Debtor is hereby authorized to use the proceeds of the DIP Borrowings under the DIP Facility and all Cash Collateral solely in the manner and for the purposes expressly permitted in the Budget (subject to the Permitted Variance), the DIP Term Sheet, and this Interim Order.

(c) DIP Fees and Expenses; Indemnification. The Debtor is hereby authorized and directed to pay, as and when due, any and all (i) fees, premiums or other payments payable under the DIP Term Sheet (including, without limitation, the Commitment Fee, which fee shall be paid from the proceeds of the Interim DIP Loans), (ii) amounts due (or that may become due) in respect of the indemnification obligations under the DIP Term Sheet, and (iii) costs, expenses and disbursements of the DIP Lender payable under the DIP Term Sheet and this Interim Order, including, without limitation, the reasonable and documented fees and expenses of (A) Norton Rose Fulbright US LLP and Ice Miller LLP, as co-counsel to the DIP Lender, and (B) any other accountants, consultants, attorneys, advisors, appraisers, or other professionals that may be retained by the DIP Lender with the consent of the Debtor, such consent not to be unreasonably withheld or delayed (the foregoing subclauses (A)-(B), the "**DIP Lender Advisors**"), in the case of each of the foregoing clauses (i)-(iii), whether or not such payments, premiums, fees, costs, expenses or other amounts arose before or after the Petition Date and whether or not the transactions contemplated herein or in the DIP Term Sheet are consummated through no fault of the DIP Lender, without the need to file fee or retention applications with the Court, without the need to comply with the U.S. Trustee's fee guidelines, and all such payments, premiums, fees, costs, expenses and other amounts are hereby approved. Such indemnity shall not extend to any loss, claim, damage, liability or expense (a) arising from the material breach of any obligation of

such Indemnitee under the DIP Documents, (b) that does not involve an act or omission of the Debtor and that is brought by an Indemnitee against another Indemnitee (other than claims against an Indemnitee in its capacity or in fulfilling its role as DIP Lender), or (c) which a court of competent jurisdiction has determined by final, non-appealable judgment to have arisen from the gross negligence, bad faith, or willful misconduct of such Indemnitee. In the case of the foregoing clause (iii), any invoices submitted for payment may be in summary form only (and shall not be required to contain individual time entries, and may be redacted or modified to the extent necessary to delete any information subject to the attorney-client privilege, any information constituting attorney work product, or any other confidential information, and the provision of such invoices shall not constitute any waiver of the-attorney-client privilege or of any benefits of the attorney work product doctrine), and shall be promptly paid by the Debtor, on a monthly basis as appropriate, upon receipt of any such invoices, subject to paragraph 10 with respect to fees and expenses incurred after the Interim DIP Loans.

3. *DIP Obligations*.

(a) Upon execution and delivery of the DIP Term Sheet, the DIP Term Sheet shall constitute valid, binding, enforceable, and nonavoidable obligations of the Debtor, and shall be fully enforceable against the Debtor, its estate, and any successors thereto, including, without limitation, any estate representative or trustee appointed in the Chapter 11 Case or in any case under chapter 7 of the Bankruptcy Code upon the conversion of the Chapter 11 Case, or in any other proceedings superseding or relating to any of the foregoing and/or upon the dismissal of the Chapter 11 Case or any such successor case (the "**Successor Case**"), in each case, in accordance with the terms of the DIP Term Sheet and this Interim Order.

(b) Upon execution and delivery of the DIP Term Sheet, the Debtor shall be liable for all DIP Obligations, including, without limitation, all loans, advances, extensions of credit, financial accommodations, principal, interest, premiums or similar amounts, fees, costs, expenses, charges, indemnification and reimbursement obligations (whether contingent or absolute), and all other obligations or amounts, whether or not such obligations arose before or after the Petition Date, whenever the same shall become due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise, in each case, which may now or from time to time be owing by the Debtor to the DIP Lender under the DIP Term Sheet or this Interim Order. The DIP Obligations shall be due and payable, without notice or demand, the DIP Commitments shall automatically terminate, and the use of Cash Collateral shall automatically cease, on the DIP Termination Date (as defined below) (subject to paragraph 19(b) hereof).

(c) All obligations incurred, payments made, and transfers or grants of security and liens set forth in this Interim Order and the DIP Term Sheet by the Debtor are granted to or for the benefit of the Debtor for fair consideration and reasonably equivalent value and are granted contemporaneously with the making of the loans and commitments and other financial accommodations secured thereby. No obligation, payment, transfer, or grant of liens and security interests under this Interim Order or the DIP Term Sheet to the DIP Lender (including, without limitation, the DIP Obligations, the DIP Liens, and the DIP Superpriority Claims) shall be limited, stayed, restrained, voidable, avoidable, or recoverable under the Bankruptcy Code or under any applicable law, or subject to any contest, attack, objection, challenge, defense, claim, counterclaim or Cause of Action, including any Avoidance Action or any other claim or Cause of Action seeking reduction, setoff, offset, recoupment, recharacterization, subordination (whether equitable, contractual or otherwise), reclassification, disgorgement, disallowance, impairment, marshaling,

surcharge, recovery, or any other claim or Cause of Action of any nature and description whatsoever, whether arising under the Bankruptcy Code, applicable non-bankruptcy law or otherwise (in each case in accordance with and subject to the fee review procedures set forth in paragraph 10 hereof).

4. *No Obligation to Extend Credit*. The DIP Lender shall have no obligation to make any loan or advance under the DIP Term Sheet, unless all of the conditions precedent to the making of such loan or advance by the DIP Lender under the DIP Term Sheet and this Interim Order have been satisfied in full (or waived) in accordance with the terms of the DIP Term Sheet and this Interim Order, as applicable. Notwithstanding anything contained in this Interim Order or the DIP Term Sheet to the contrary, in no event shall the aggregate principal amount of the DIP Loans available or outstanding under the DIP Term Sheet at any time (after giving effect to all DIP Borrowings previously made or requested) exceed the total DIP Commitments.

5. *No Duty to Monitor Compliance*. The DIP Lender shall not have any obligation or responsibility to monitor the Debtor's use of DIP Collateral or Cash Collateral, and the DIP Lender and its advisors may rely upon the Debtor's and its advisors' representations that the use of DIP Collateral and Cash Collateral complies with and is in accordance with the requirements of this Interim Order and the DIP Term Sheet.

6. *DIP Liens.*

(a) DIP Liens. Effective upon entry of this Interim Order, and without the necessity of the execution, recordation or filing of any pledge, collateral or security documents, mortgages, deeds of trust, financing statements, notations of certificates of title for titled goods, or any other document or instrument, or the taking of any other action (including, without limitation, entering into any lockbox or deposit account control agreements or other action to take possession

or control of any DIP Collateral), as security for the prompt and complete payment and performance of all DIP Obligations when due (whether at stated maturity, by acceleration or otherwise), the DIP Lender is hereby granted valid, binding, enforceable, nonavoidable, and automatically and properly perfected liens and security interests (collectively, the "**DIP Liens**") in all DIP Collateral, subject and subordinate to the Carve Out, and subject to the relative priorities set forth in paragraph 6(c) of this Interim Order.

(b) DIP Collateral. The term "**DIP Collateral**" means all of the Debtor's right, title and interest in, to and under all of the Debtor's assets and properties, including, but not limited to the following, in each case, whether now owned or existing or hereafter acquired, created or arising and wherever located: all assets and property of the Debtor (and its estate), real or personal, tangible or intangible, now owned or hereafter acquired, whether arising before or after the Petition Date, including, without limitation, all contracts (including, without limitation, any Acceptable Stalking Horse Purchase Agreement (as defined in the DIP Term Sheet)), contract rights, licenses, general intangibles, instruments, equipment, accounts, documents, goods, inventory, fixtures, cash, cash equivalents, accounts receivables, chattel paper, letters of credit and letter of credit rights, investment property (including, without limitation, all equity interests owned by the Debtor in the Foreign Subsidiaries (as defined in the DIP Term Sheet) and its other existing and future subsidiaries, if any), limited liability company interests, commercial tort claims, arbitration awards, money, insurance, receivables, receivables records, deposit accounts, collateral support, supporting obligations and instruments, all interests in leaseholds and real properties, all patents, copyrights, trademarks, all trade names and other intellectual property (whether such intellectual property is registered in the United States or in any foreign jurisdiction), together with all books and records relating to the foregoing, all proceeds, products, accessions, rents and profits of or in

respect of any of the foregoing (as such terms are defined in the Uniform Commercial Code as in effect from time to time in the State of New York) and (i) effective upon entry of the Interim Order, all causes of actions under section 549 of the Bankruptcy Code to recover any postpetition transfer of DIP Collateral and any proceeds thereof and (ii) effective upon entry of the Final Order, all other Avoidance Actions and the proceeds thereof (collectively, the "**Avoidance Action Assets**").

(c) Priority of DIP Liens. The DIP Liens shall have the following ranking and priorities (subject in all cases to the Carve Out):

(i) *First Priority Senior Liens*. Pursuant to sections 364(c)(2), 364(c)(3), and 364(d)(1) of the Bankruptcy Code, the DIP Liens shall be valid, binding, continuing, enforceable, nonavoidable, fully and automatically perfected first priority liens and security interests in all DIP Collateral, including property, if any, that is subject to a valid, perfected, nonavoidable lien or security interest (including any such lien or security interest that is perfected after the Petition Date as permitted by section 546(b) of the Bankruptcy Code).

(ii) *DIP Liens Senior to Other Liens*. Except to the extent expressly permitted hereunder, the DIP Liens and the DIP Superpriority Claims shall not be made subject or subordinate to or *pari passu* with (A) any lien, security interest or claim heretofore or hereinafter granted in the Chapter 11 Case or any Successor Case, including any lien, security interest or claim granted in favor of any federal, state, municipal, or other governmental unit (including any regulatory body), commission, board or court for any liability of the Debtor, (B) any lien or security interest that is avoided and preserved for the benefit of the Debtor and its estate under section 551 of the Bankruptcy Code or otherwise, (C) any intercompany or affiliate claim, lien or security interest of the Debtor or its affiliates, or (D) any other lien, security interest or claim arising under section 363 or 364 of the Bankruptcy Code granted on or after the date hereof.

(d) To the fullest extent permitted by the Bankruptcy Code, any provision of any lease, license, contract or other agreement that requires the consent or approval of one or more landlords, licensors or other parties, or requires the payment of any fees or obligations to any governmental entity, non-governmental entity or any other person or entity, in order for the Debtor to pledge, grant, mortgage, sell, assign, or otherwise transfer any fee or leasehold interest, or proceeds thereof or other collateral related thereto, shall have no force or effect with respect to the transactions granting the DIP Liens in any such fee, leasehold, interest, or other collateral, or in

the proceeds of any assignment and/or sale thereof by the Debtor in favor of the DIP Lender in accordance with the DIP Term Sheet and this Interim Order.

7. *DIP Superpriority Claims*. Pursuant to and to the extent permitted by sections 364(c)(1) and 364(e) of the Bankruptcy Code, the DIP Obligations shall constitute allowed superpriority administrative expense claims against the Debtor in the Chapter 11 Case and any Successor Case on account of the DIP Obligations, with priority over any and all other administrative expense claims and all other claims against the Debtor, now existing or hereafter arising, of any kind or nature whatsoever, including, without limitation, and all administrative expense claims of the kind specified in or ordered pursuant to sections 105, 326, 328, 330, 331, 503(b), 506(c) (subject to entry of the Final Order), 507, 546, 726, 1113 or 1114 of the Bankruptcy Code, or any other provision of the Bankruptcy Code (the "**DIP Superpriority Claims**"); *provided*, *however*, that the DIP Superpriority Claims shall not have priority over any stalking horse bid protections approved by the Court in the Chapter 11 Case with respect to an Acceptable Stalking Horse Purchase Agreement. The DIP Superpriority Claims shall (x) for purposes of section 1129(a)(9)(A) of the Bankruptcy Code, be considered administrative expenses allowed under section 503(b) of the Bankruptcy Code and (y) be subject and subordinate to the Carve Out. The DIP Superpriority Claims shall be payable by the Debtor and shall have recourse to all DIP Collateral, subject only to the Carve Out. The DIP Superpriority Claims shall be entitled to the full protection of section 364(e) of the Bankruptcy Code, including in the event that this Interim Order or any provision hereof is vacated, reversed, or modified, on appeal or otherwise.

8. *Use of DIP Collateral and Cash Collateral.*

(a) The Debtor is hereby authorized to use the proceeds of DIP Loans and Cash Collateral solely to the extent expressly permitted under the Budget (subject to the Permitted

Variance) and subject to the terms and conditions set forth in the DIP Term Sheet and this Interim Order. Unless otherwise agreed to by the DIP Lender, except on the terms and conditions of this Interim Order and the DIP Term Sheet, the Debtor shall be enjoined and prohibited from at any time using the Cash Collateral absent further order of the Court.

(b) Without the prior written consent of the DIP Lender or order of the Court after notice and a hearing, the Debtor shall not sell, transfer, lease, encumber, or otherwise dispose of any portion of the DIP Collateral (or enter into any binding agreement to do so), except as expressly permitted by the DIP Term Sheet. All collections and proceeds, whether from ordinary course collections, asset sales, debt or equity issuances, insurance recoveries, condemnation, or otherwise, will be deposited and applied to repay the DIP Obligations as required by this Interim Order and the DIP Term Sheet. The Debtor is authorized and directed, upon the closing of a sale of any of the DIP Collateral, to immediately pay all proceeds of any such sale to the DIP Lender to satisfy the DIP Obligations in accordance with this Interim Order and the DIP Term Sheet until the DIP Obligations are Paid in Full,[5] and any order approving the sale of such DIP Collateral shall provide that the sale is conditioned upon such payment of DIP Obligations (except to the extent otherwise agreed in writing by the DIP Lender), in each case subject to the Carve Out. For the avoidance of doubt, notwithstanding anything to the contrary in any other order or agreement (written, verbal, or otherwise), all cash proceeds derived from the sale, transfer, lease, encumbrance, or other disposition of any portion of the DIP Collateral (or entry into any binding agreement to do so) or of all or substantially all of the Debtor's assets outside the ordinary course

[5] The term "**Paid in Full**" or "**Payment in Full**" means the irrevocable and indefeasible payment in full in cash of all DIP Obligations, other than continuing indemnification and expense reimbursement obligations for which no claim or demand has been asserted, and all commitments thereunder shall have irrevocably, permanently, and finally expired or shall have been terminated, cancelled, and discharged.

of business shall be used for the satisfaction of the DIP Obligations until the DIP Obligations have been Paid in Full, and none of the cash proceeds derived from such sale, transfer, lease, encumbrance, or other disposition of such portion of the DIP Collateral (or entry into any binding agreement to do so) may be used for (x) the payment of any fees or expenses of any Professional Persons (as defined below) or (y) the payment of any fees, expenses, or costs of the sale transaction until the DIP Obligations have been Paid in Full (other than any stalking horse bid protections approved by the Court in the Chapter 11 Case with respect to an Acceptable Stalking Horse Purchase Agreement).

9. *Budget and Variance Reporting*. The Debtor shall comply with the budget and variance reporting obligations set forth in the DIP Term Sheet.

10. *Fees and Expenses*. The invoices with respect to the professional fees and expenses payable under paragraph 2(c) of this Interim Order shall not be required to comply with the U.S. Trustee guidelines, nor shall the applicable professionals be required to file fee applications with the Court with respect to any fees or expenses payable hereunder, and all invoices therefor may be in summary form only (and shall not be required to contain individual time entries, and may be redacted or modified to the extent necessary to delete any information subject to the attorney-client privilege, any information constituting attorney work product, or any other confidential information, and the provision of such invoices shall not constitute any waiver of the attorney-client-privilege or of any benefits of the attorney work product doctrine), and shall, by email, be provided to counsel to the Debtor, counsel to any Committee and the U.S. Trustee (the "**Fee Notice Parties**"); *provided*, *however*, if no formal objection to payment of the requested fees and expenses is made in writing by any of the Fee Notice Parties within five (5) business days after delivery of such invoices (the "**Fee Objection Period**"), then, upon the expiration of the Fee Objection Period,

without further order of, or application to, the Court or notice to any other party, such fees and expenses shall be promptly paid by the Debtor and, in any event, no later than three (3) business days after expiration of the Fee Objection Period; *provided*, *further*, *however*, that if a formal objection is made by any of the Fee Notice Parties within the Fee Objection Period to payment of the requested fees and expenses, the undisputed portion shall promptly be paid by the Debtor, and in any event, no later than three (3) business days after expiration of the Fee Objection Period, and the disputed portion shall only be paid upon resolution of such objection by the applicable parties or by order of the Court. Any hearing on an objection to the payment of any fees, costs or expenses set forth in a professional fee invoice shall be limited to reasonableness of the fees, costs and expenses that are the subject of such objection.

11. *Reservation of Rights*. Notwithstanding anything herein to the contrary, the entry of this Interim Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly: (a) the rights of the DIP Lender to seek any other or supplemental relief in respect of the Debtor; (b) the rights of the DIP Lender under the DIP Term Sheet, the Bankruptcy Code or applicable non-bankruptcy law, including, without limitation, the right to (i) request modification of the automatic stay of section 362 of the Bankruptcy Code; (ii) request dismissal of the Chapter 11 Case, conversion of the Chapter 11 Case to a case under chapter 7, or appointment of a chapter 11 trustee or examiner with expanded powers; or (iii) propose, subject to the provisions of section 1121 of the Bankruptcy Code, a chapter 11 plan or plans; or (c) any other rights, claims, or privileges (whether legal, equitable or otherwise) of the DIP Lender. Notwithstanding anything contained herein to the contrary, the entry of this Interim Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly, the Debtor's or any party in interest's right to

oppose (on an emergency basis if need be) any of the relief requested in accordance with the immediately preceding sentence, except as expressly set forth in this Interim Order.

12. *Amendments*. Without the need for further notice to or approval of this Court, the Debtor is authorized to execute, deliver and perform under, one or more amendments, waivers, consents, or other modifications to and under the DIP Term Sheet, in each case, in accordance with the provisions of the DIP Term Sheet governing amendments thereto (and otherwise in form and substance acceptable to the DIP Lender); *provided*, *however,* that any amendment that (a) shortens the maturity of the extensions of credit thereunder; (b) increases the aggregate commitments thereunder; (c) increases the rate of interest or any fee payable thereunder; or (d) any other material amendment, waiver, consent or other modification (each, a "**Material DIP Amendment**"), shall be subject to approval of the Court.

13. *Modification of Automatic Stay*. The automatic stay imposed by section 362(a) of the Bankruptcy Code is hereby vacated and modified, without further notice to or order of this Court, to permit: (a) the Debtor to grant the DIP Liens and the DIP Superpriority Claims, and to perform such acts as the DIP Lender may request to assure the perfection and priority of the DIP Liens; (b) the Debtor to incur all liabilities and obligations, including all of the DIP Obligations, to the DIP Lender as contemplated under this Interim Order and the DIP Term Sheet; (c) the Debtor to pay all amounts required hereunder and under the DIP Term Sheet; (d) the Debtor to retain and apply payments made in accordance with the terms of this Interim Order and the DIP Term Sheet; (e) subject to paragraph 19(b) of this Interim Order, the DIP Lender to exercise, upon the occurrence and during the continuance of any DIP Termination Event (as defined below), all rights and remedies provided for in this Interim Order, the DIP Term Sheet or applicable law; (f) to perform under this Interim Order and the DIP Term Sheet, and to take any and all other actions

that may be required, necessary, or desirable for the performance by the Debtor under this Interim Order and the DIP Term Sheet and the implementation of the transactions contemplated hereunder and thereunder; and (g) the implementation of all of the terms, rights, benefits, privileges, remedies, and provisions of this Interim Order and the DIP Term Sheet.

14. *Perfection of DIP Liens*.

(a) This Interim Order shall be sufficient and conclusive evidence of the attachment, validity, perfection, and priority of all liens and security interests granted hereunder and under the DIP Term Sheet, including, without limitation, the DIP Liens, without the necessity of the execution, recordation or filing of any pledge, collateral or security agreements, mortgages, deeds of trust, lockbox or control agreements, financing statements, notations of certificates of title for titled goods, or any other document or instrument, or the taking of any other action (including, without limitation, entering into any deposit account control agreement or other act to take possession or control of any DIP Collateral), to attach, validate, perfect or prioritize such liens and security interests, or to entitle the DIP Lender to the priorities granted herein (each, a "**Perfection Act**") (other than, to the extent applicable, any such filings required under applicable non-U.S. law to attach, validate, perfect or prioritize such liens).

(b) Without in any way limiting the automatically effective perfection of the liens granted hereunder and the DIP Term Sheet (including, without limitation, the DIP Liens), the DIP Lender is hereby authorized, but not required, as it may determine for any reason, to execute, file and record (and to execute in the name of the Debtor, as its true and lawful attorneys, with full power of submission, to the maximum extent permitted under applicable law) or otherwise effectuate any Perfection Act or to take any other action in order to attach, validate, perfect, and preserve the liens and security interests granted to them hereunder or under the DIP Term Sheet to

otherwise evidence such liens and security interests in all DIP Collateral; *provided*, *however*, that, whether or not the DIP Lender determines to execute, file, record or otherwise effectuate any Perfection Act with respect to any liens or security interests granted hereunder, such liens and security interests shall nonetheless be deemed valid, perfected, allowed, enforceable, nonavoidable and not subject to objection, challenge, dispute, avoidance, recharacterization or subordination as of the entry of this Interim Order. Upon the request of the DIP Lender, without any further consent of any party, the DIP Lender and the Debtor are authorized, and the Debtor is directed, to take, execute, deliver and file such instruments (in each case, without representation or warranty of any kind) to enable the DIP Lender to further validate, perfect, preserve and enforce the DIP Liens. All such documents will be deemed to have been recorded and filed as of the entry of this Interim Order.

(c) A certified copy of this Interim Order may be (but need not be) filed with or recorded in filing or recording offices in addition to or in lieu of any security documents, and all filing offices are hereby authorized to accept such certified copy of this Interim Order for filing and/or recording, as applicable. The automatic stay of section 362(a) of the Bankruptcy Code shall be modified to the extent necessary to permit the DIP Lender to take all actions referenced in this paragraph.

15. *Protection of DIP Lender's Rights*.

(a) To the extent any Person has been noted as a secured party on any security document or otherwise has possession of or control with respect to any DIP Collateral, then such Person shall be deemed to maintain such possession or notation or exercise such control as a gratuitous bailee and/or gratuitous agent for perfection for the benefit of the DIP Lender, and such

Person shall comply with the instructions of the DIP Lender with respect to the exercise of such possession or control.

(b) Subject to entry of the Final Order, in the event that any other person or entity, in each case, that holds a lien on or security interest in DIP Collateral that is junior or otherwise subordinate to the DIP Liens receives any DIP Collateral or proceeds of DIP Collateral, or receives any payment on account of such lien or security interest in the DIP Collateral, (whether in connection with the exercise of any right or remedy (including setoff), payment or distribution from the Debtor, mistake, or otherwise), prior to the Payment in Full of all DIP Obligations (or the portion of the DIP Obligations having priority with respect to such payment), such person or entity shall be deemed to have received, and shall hold, any such payment or proceeds of DIP Collateral in trust for the benefit of the DIP Lender, and shall immediately turn over all such proceeds on account of DIP Obligations having priority to the DIP Lender in the same form as received, with any necessary endorsements, for application in accordance with the DIP Term Sheet and this Interim Order.

(c) Except as expressly provided herein or in the DIP Term Sheet, no claim or lien having a priority senior to or *pari passu* with those granted to the DIP Lender by this Interim Order (other than any stalking horse bid protections approved by the Court in the Chapter 11 Case with respect to an Acceptable Stalking Horse Purchase Agreement) shall be granted or permitted while any of the DIP Obligations remain outstanding. Except as expressly provided in this Interim Order or the DIP Term Sheet, each of the DIP Liens and the DIP Superpriority Claims: (A) shall not be made junior or subordinated to or *pari passu* with (i) any lien, security interest or claim heretofore or hereinafter granted in the Chapter 11 Case or any Successor Case, whether under section 364(d) of the Bankruptcy Code or otherwise, (ii) any lien that is avoided and preserved for

the benefit of the Debtor and its estate under section 551 of the Bankruptcy Code or otherwise, (iii) any lien arising after the Petition Date including, without limitation, any lien or security interests granted in favor of any federal, state, municipal or other domestic or foreign governmental unit (including any regulatory body), commission, board or court for any liability of the Debtor, or (iv) any intercompany or affiliate lien or claim; and (B) shall not be subject to sections 506(c), 510, 549, 550 or 551 of the Bankruptcy Code.

16. *Maintenance of DIP Collateral*. Until such time as all DIP Obligations are Paid in Full (or as otherwise agreed in writing by the DIP Lender), the Debtor shall continue to maintain all property, operational, and other insurance as required and as specified in the DIP Term Sheet. Upon the entry of this Interim Order, the DIP Lender shall automatically be deemed to be named as additional insured and lender loss payee under each insurance policy maintained by the Debtor that in any way relates to the DIP Collateral (including all property damage and business interruption insurance policies of the Debtor, whether expired, currently in place, or to be put in place in the future), and shall act in that capacity and distribute any proceeds recovered or received in respect of any such insurance policies, to the DIP Lender until the Payment in Full of all DIP Obligations. Notwithstanding the foregoing, the Debtor shall take any actions reasonably requested by the DIP Lender to have the DIP Lender added as an additional insured and lenders loss payee on each such insurance policy.

17. *Cash Management*. Until such time as all DIP Obligations are Paid in Full, the Debtor shall maintain the cash management system in effect as of the Petition Date, as modified by this Interim Order and any order of the Court authorizing the continued use of the cash management system that is acceptable to the DIP Lender. The Debtor shall not open any new deposit or securities account that is not subject to the liens and security interests of the DIP Lender

(in which case it shall be subject to the lien priorities and other provisions set forth in this Interim Order), excluding any Professional Fees Account (as defined below).

18. *Reporting; Access to Records*. The Debtor shall provide the DIP Lender and DIP Lender Advisors with all reporting, management calls, access to books and records and other information required to be provided to the DIP Lender under the DIP Term Sheet. Without limiting the requirements contained herein or in the DIP Term Sheet, the Debtor shall (a) provide the DIP Lender and its counsel, as well as counsel to any Committee, with (i) all reports, documents, and information required to be delivered under the DIP Term Sheet (contemporaneously when the same is required to be delivered thereunder), and (ii) reasonable access, upon reasonable notice and during regular business hours, to the Debtor's books and records, assets and properties, for purposes of monitoring the Debtor's business and operations and the value of the DIP Collateral, and (b) reasonably cooperate and consult with, and provide information reasonably requested by the DIP Lender or any Committee (and their respective advisors) concerning the Debtor's business, financial condition, properties, business operations and assets.

19. *DIP Termination Events; Exercise of Remedies.*

(a) DIP Termination Events. The occurrence of any of the Events of Default set forth in the DIP Term Sheet shall constitute a "DIP Termination Event" under this Interim Order (each a "**DIP Termination Event**," and the date upon which such DIP Termination Event occurs, the "**DIP Termination Date**"), unless waived in writing by the DIP Lender.

(b) Remedies Upon DIP Termination Event. Upon the occurrence and during the continuation of a DIP Termination Event, without further notice to, hearing, or order from the Court, the automatic stay provisions of section 362 of the Bankruptcy Code shall be vacated and modified to the extent necessary to permit the DIP Lender to: (i) deliver to the Debtor a notice

declaring the occurrence of a DIP Termination Event; (ii) declare the termination, reduction or restriction of the DIP Commitments (to the extent any such commitment remains), whereupon the DIP Commitments shall be terminated, reduced, or restricted; (iii) declare the DIP Obligations then outstanding to be due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Debtor; (iv) declare the reduction or restriction on the DIP Facility or the DIP Term Sheet, whereupon the DIP Facility or the DIP Term Sheet shall be reduced or restricted; (v) declare the termination, restriction, or revocation of the ability of the Debtor to use Cash Collateral; (vi) charge interest at the default rate under the DIP Facility; (vii) freeze all monies or balances in any deposit accounts of the Debtor; (viii) immediately exercise any and all rights of set-off; (ix) exercise any right or remedy against the DIP Collateral, including, without limitation, the foreclosure on or disposition of DIP Collateral for application towards the DIP Obligations; (x) file a motion seeking Court authority to sell all or substantially all of the Debtor's assets pursuant to section 363 of the Bankruptcy Code; or (xi) take any other action or exercise any other right or remedy permitted under the DIP Term Sheet, this Interim Order or applicable law; *provided* that, in the case of the enforcement of rights against the DIP Collateral other than due to the occurrence of the Maturity Date, the DIP Lender shall provide counsel to the Debtor, counsel to any Committee and the U.S. Trustee five business days' prior written notice (the "**Remedies Notice**")[6] (which may be provided by email or other electronic means), and during such five business day notice period (the "**Remedies Notice Period**"), the Debtor, any Committee and/or any other party in interest shall be permitted to request an emergency hearing (an "**Emergency Hearing**") before the Court (which request must be made

[6] For the avoidance of doubt, the Remedies Notice, or any other notice contemplated under this paragraph 19 may be included in the Carve Out Trigger Notice.

prior to the conclusion of the Remedies Notice Period, and shall seek consideration of such request on an expedited basis); *provided*, *however*, that, during the Remedies Notice Period, the Debtor is permitted to use Cash Collateral solely to fund expenses critically necessary to preserve the value of the Debtor's business and fund the Carve Out Reserves (as defined below). For the avoidance of doubt, in the case of the enforcement of rights against the DIP Collateral, the Debtor shall be deemed to have granted the DIP Lender standing to pursue such actions. If an Emergency Hearing is requested to be heard prior to the expiration of the Remedies Notice Period but is scheduled to be heard after the expiration of the Remedies Notice Period by the Court, the Remedies Notice Period shall be automatically extended to the date of such hearing.

(c) Unless the Court orders otherwise during the Remedies Notice Period, following the expiration of the Remedies Notice Period, without further notice to, hearing or order from the Court, the automatic stay of section 362 of the Bankruptcy Code shall automatically be vacated and modified for the purposes of permitting the DIP Lender to exercise any and all rights and remedies available to them under this Interim Order, the DIP Term Sheet, and applicable law.

20. *No Waiver by Failure to Seek Relief*. The rights and remedies of the DIP Lender are cumulative and not exclusive of any rights or remedies that the DIP Lender may have under the DIP Term Sheet, applicable law or otherwise. The failure or delay on the part of the DIP Lender to seek relief or otherwise exercise its rights and remedies under this Interim Order, the DIP Term Sheet or applicable law, as the case may be, shall not constitute a waiver of any of its rights hereunder, thereunder or otherwise. No delay on the part of any party in the exercise of any right or remedy under this Interim Order or the other DIP Documents shall preclude any other or further exercise of any such right or remedy or the exercise of any other right or remedy. None of the rights or remedies of any party under this Interim Order or the other DIP Documents shall be

deemed to have been amended, modified, suspended, or waived unless such amendment, modification, suspension, or waiver is express, in writing and signed by the requisite parties under the DIP Term Sheet. No consent, approval, or similar rights of the DIP Lender under the DIP Documents shall be implied by any inaction or acquiescence by the DIP Lender.

21. *Carve Out.*

(a) Carve Out. As used in this Interim Order, the term "***Carve Out***" means an amount equal to the sum of: (i) all fees required to be paid to the Clerk of the Court and to the U.S. Trustee under section 1930(a) of title 28 of the United States Code plus interest at the statutory rate pursuant to 31 U.S.C. § 3717; (ii) all reasonable fees and expenses up to $50,000 incurred by a trustee under section 726(b) of the Bankruptcy Code; (iii) to the extent allowed by this Court at any time, whether by interim order, procedural order, or otherwise (which order has not been vacated or stayed), all unpaid fees and expenses, whether allowed by the Court before or after delivery of a Carve Out Trigger Notice (collectively, the "**Allowed Professional Fees**"), incurred by Persons or firms retained by the Debtor pursuant to section 327, 328, or 363 of the Bankruptcy Code (collectively, the "**Debtor Professionals**") or the Committee, if any, pursuant to section 328 or 1103 of the Bankruptcy Code (the "**Committee Professionals**" and together with Debtor Professionals, the "**Professional Persons**") at any time before or on the first business day following delivery by the DIP Lender of a Carve Out Trigger Notice (as defined below); *provided* that the amounts set forth in clause (iii) shall be subject to the aggregate amounts for Professional Persons in the Budget and any limits under the DIP Orders (*provided*, that for the avoidance of doubt, Professional Persons may carry forward or roll back budgeted but unused disbursements set forth in the Budget for any week for use in any subsequent or prior week(s), as applicable) (the amounts set forth in clauses (i)-(iii) being the "**Pre-Carve Out Trigger Notice Amounts**"); and

(iv) Allowed Professional Fees of Professional Persons in an aggregate amount not to exceed $2,500,000 incurred after the first day following the date of delivery by the DIP Lender of the Carve Out Trigger Notice, to the extent allowed at any time, whether by interim order, procedural order, or otherwise (the amounts set forth in this clause (iv) being the "**Post-Carve Out Trigger Notice Cap**"); *provided*, *however*, that nothing herein shall be construed to impair the ability of any party in interest (including the DIP Lender) to object to the fees, expenses, reimbursement, or compensation described in clauses (i) through (iv) of this paragraph 21(a) on any grounds. In the event that Allowed Professional Fees exceed or are expected to exceed the amounts provided in the Budget, the parties will negotiate in good faith (but without further obligation) regarding a proposed amendment to the Budget to address such additional Allowed Professional Fees. The "**Carve Out Trigger Notice**" shall mean a written notice delivered by email (or other electronic means) by the DIP Lender to counsel to the Debtor, the U.S. Trustee and counsel to the Committee (if any), which notice may be delivered following the occurrence and during the continuation of a DIP Termination Event and the acceleration of the DIP Obligations under the DIP Facility.

(b) Carve Out Reserves. From and after the Petition Date, the Debtor shall, on Monday of each week, transfer cash proceeds of the DIP Facility or cash on hand into a segregated account (the "**Professional Fees Account**") maintained by the Debtor in an amount equal to the fees and expenses reflected in the Budget for Professional Persons for that week (*provided*, that the first such transfer shall also include any such fees and expenses reflected in the Budget for any prior weeks). The Professional Fees Account, if applicable, shall be held in trust and used solely to satisfy Allowed Professional Fees; *provided*, that the Debtor's obligations to pay Allowed Professional Fees shall not be limited or be deemed limited to funds held in the Professional Fees Account; *provided*, *further* that the Debtor's reversionary interest, if any, in the Professional Fees

Account and any funds therein shall be subject to the DIP Liens. On the day on which a Carve Out Trigger Notice is delivered in accordance with this paragraph 21(b) of this Interim Order (the "**Termination Declaration Date**"), the Carve Out Trigger Notice shall constitute a demand to the Debtor to utilize all cash (including Cash Collateral) on hand as of such date, including funds in the Professional Fees Account, if applicable (net of any amounts held on retainer by any Professional Persons), and any available cash thereafter held by the Debtor to fund a reserve (the "**Pre-Carve Out Trigger Notice Reserve**") in an amount equal to the then unpaid amounts of the Pre-Carve Out Trigger Notice Amounts accrued on and prior to the Termination Declaration Date. Upon the occurrence of a Termination Declaration Date, Professional Persons shall have three (3) business days thereafter to deliver fee statements to the Debtor Professionals and the DIP Lender that cover such Professional Persons' reasonable good faith estimate of the Allowed Professional Fees incurred by such Professional Persons through and including the Termination Declaration Date. On the Termination Declaration Date, the Carve Out Trigger Notice shall also constitute a demand to the Debtor as of such date to utilize all cash (including Cash Collateral) on hand as of such date (net of any amounts held on retainer by any Professional Persons) to fund a reserve in an amount equal to the Post-Carve Out Trigger Notice Cap (the **"Post-Carve Out Trigger Notice Reserve**" and, together with the Pre-Carve Out Trigger Notice Reserve, the "**Carve Out Reserves**"). The Carve Out Reserves shall be deposited in the Professional Fees Account, to be held in trust, and used solely to satisfy Allowed Professional Fees benefitting from the Carve Out in accordance with the terms hereof until such Allowed Professional Fees are paid in full. All funds in the Pre-Carve Out Trigger Notice Reserve shall be subject to the DIP Liens, but used first to pay the outstanding obligations set forth in clauses (i) through (iv) of paragraph 21(a) (but not, for the avoidance of doubt, the Post-Carve Out Trigger Notice Cap), until paid in full, and then, to

the extent the-Pre-Carve Out Trigger Notice Reserve has not been reduced to zero, to pay the DIP Lender for application to the DIP Obligations in accordance with the DIP Term Sheet, unless and until the DIP Obligations are Paid in Full. All funds in the Post-Carve Out Trigger Notice Reserve shall be used first to pay the outstanding obligations set forth in clause (iv) of paragraph 21(a), and then, to the extent the-Post-Carve Out Trigger Notice Reserve has not been reduced to zero, to pay the DIP Lender for application to the DIP Obligations in accordance with the DIP Term Sheet, unless and until the DIP Obligations are Paid in Full. Notwithstanding anything to the contrary in this Interim Order, (x) disbursements by the Debtor from the Carve Out Reserves shall not constitute loans or indebtedness under the DIP Term Sheet or otherwise increase or reduce the DIP Obligations, (y) the failure of the Carve Out Reserves to satisfy in full the Allowed Professional Fees shall not affect the priority of the Carve Out, and (z) nothing contained herein shall constitute a cap or limitation on the ability of the Professional Persons to assert a claim on account of Allowed Professional Fees that are due and payable by the Debtor.

(c) Carve Out Draw. Subject to exhaustion of the DIP Commitments and subject to the amounts for Allowed Professional Fees in the Budget as in effect immediately prior to the DIP Termination Event, the Debtor shall be permitted to draw on the DIP Facility in the amount of the Carve Out as of the date of the Carve Out Trigger Notice less the amounts contained in the Carve Out Reserves, notwithstanding any default, Event of Default, or the occurrence of a DIP Termination Event. Any Carve Out Trigger Notice shall be deemed a consent by the DIP Lender to the Debtor depositing Cash Collateral or DIP Facility proceeds into the Pre-Carve Out Trigger Notice Reserve in an amount equal to any Pre-Carve Out Trigger Notice Amounts that are budgeted and reflected in the Budget through the date of the Carve Out Trigger Notice that have not been deposited in the Pre-Carve Out Trigger Notice Reserve and into the Post-Carve Out

Trigger Notice Reserve in an amount equal to the Post-Carve Out Trigger Notice Cap reflected in the Budget through the date of the Carve Out Trigger Notice that have not been deposited in the Post-Carve Out Trigger Notice Reserve.

(d) Payment of Allowed Professional Fees Prior to Termination Declaration Date. Any payment or reimbursement made prior to the occurrence of the Termination Declaration Date in respect of any Allowed Professional Fees shall not reduce the Carve Out on a dollar-for-dollar basis.

(e) Payment of Carve Out on or After the Termination Declaration Date. Any payment or reimbursement made on or after the occurrence of the Termination Declaration Date in respect of any Allowed Professional Fees shall permanently reduce the Carve Out and the amounts required to fund the Carve Out Reserves on a dollar-for-dollar basis; *provided*, *however*, prior to repayment from the Carve Out Reserves, any retainers held by Professional Persons shall be applied to repay the obligations set forth in clauses (iii) through (iv) of paragraph 21(a) prior to repayment of such obligations from the Carve Out Reserves, and, concurrent with such repayment of such obligations using such retainers, the Carve Out shall permanently be reduced on a dollar for dollar basis.

(f) No Direct Obligation to Pay Allowed Professional Fees. The DIP Lender shall not be responsible for the direct payment or reimbursement of any fees or disbursements of any Professional Person incurred in connection with the Chapter 11 Case or any Successor Case under any chapter of the Bankruptcy Code. Nothing in this Interim Order or otherwise shall be construed to obligate the DIP Lender, in any way, to pay compensation to, or to reimburse expenses of, any Professional Person or to guarantee that the Debtor has sufficient funds to pay such compensation or reimbursement.

22. *Limitations on Use of DIP Collateral, Cash Collateral, Carve Out or Other Funds*. Notwithstanding anything contained in this Interim Order or any other order of the Court to the contrary, no DIP Collateral, DIP Loans, Cash Collateral, proceeds of any of the foregoing, any portion of the Carve Out, or any other funds, may be used (nor shall any professional fees, costs, or expenses be paid or applied in connection therewith) by the Debtor, any statutory or non-statutory committees appointed or formed in the Chapter 11 Case, or any other-party-in-interest (including without limitation any chapter 7 trustee or chapter 11 trustee or examiner appointed or elected for the Debtor in the Chapter 11 Case or any Successor Case), directly or indirectly:

(a) to investigate (including by way of examinations or discovery proceedings, whether formal or informal), prepare, assert, initiate, commence, support or prosecute (or finance the initiation or prosecution of) any claim, counterclaim, cross-claim, Cause of Action, suit, arbitration, proceeding, application, motion, contested matter, objection, defense, adversary proceeding, litigation or other proceeding of any nature or description (whether for monetary, injunctive, affirmative relief or otherwise) against the DIP Lender or its Representatives, including, without limitation, (i) any objection or challenge to the amount, validity, enforceability, extent, perfection or priority in the DIP Term Sheet, the DIP Obligations (including, for the avoidance of doubt, the Commitment Fee, the Work Fee, and the Exit Fee), the DIP Liens, or the DIP Collateral, (ii) any Avoidance Actions, (iii) any so-called "lender liability" claims, (iv) any claim or Cause of Action seeking the invalidation, reduction, setoff, offset, recoupment, avoidance, recharacterization, subordination (whether equitable, contractual or otherwise), reclassification, disgorgement, disallowance, impairment, marshaling, surcharging or recovery with respect to the DIP Liens, the DIP Obligations (including, for the avoidance of doubt, the Commitment Fee, the Work Fee, and the Exit Fee), the DIP Term Sheet, or the DIP Collateral, (v) any other claim or Cause of Action of any nature and description whatsoever, whether arising under the Bankruptcy Code, applicable non-bankruptcy law, any other domestic or foreign statute, law, rule or regulation or otherwise, against the DIP Lender or its Representatives;

(b) objecting to, appealing or otherwise challenging this Interim Order, the DIP Facility, the DIP Obligations (including, for the avoidance of doubt, the Commitment Fee and the Exit Fee), the DIP Liens, the DIP Term Sheet or the transactions contemplated hereunder or thereunder; *provided* that nothing herein shall impair the rights of such parties to object to the entry of the Final Order;

(c) objecting to or seeking to impair, modify or interfere with any of the rights, remedies, priorities, privileges, protections, or benefits granted to the DIP Lender under this Interim Order or the DIP Term Sheet (other than to contest whether a DIP Termination Event has occurred and is continuing);

(d) objecting to or seeking to prevent, hinder, interfere with or otherwise delay the DIP Lender's assertion, enforcement, exercise of remedies or realization upon any DIP Collateral in accordance with this Interim Order, the DIP Term Sheet or the other DIP Documents (as applicable) (other than to contest whether a DIP Termination Event has occurred and is continuing);

(e) seeking or requesting authorization to obtain postpetition financing (whether equity or debt) or other financial accommodations pursuant to sections 364(c) or (d) of the Bankruptcy Code, or otherwise, unless such financing is sufficient to cause the Payment in Full of all DIP Obligations at the closing of such financing (or as otherwise agreed in writing by the DIP Lender);

(f) seeking or requesting authorization to obtain superpriority claims or liens or security interests (other than liens or security interests expressly permitted under the DIP Term Sheet) in any portion of the DIP Collateral that are senior to or *pari passu* with the DIP Liens, or the DIP Superpriority Claims unless all DIP Obligations have been Paid in Full (or as otherwise agreed in writing by the DIP Lender);

(g) seeking or requesting to use Cash Collateral or sell or otherwise dispose of DIP Collateral (without the prior written consent of the DIP Lender) other than as provided herein and in the DIP Term Sheet; or

(h) seeking to pay any amount on account of any claims arising prior to the commencement of the Chapter 11 Case, unless such payments are agreed to in writing by the DIP Lender (or are otherwise included in the Budget).

23. *Limitation on Charging Expenses*. Except to the extent of the Carve Out or as provided in this Interim Order, no costs or expenses of administration of the Chapter 11 Case or any Successor Case at any time, including, without limitation, any costs and expenses incurred in connection with the preservation, protection, or enhancement of realization by the DIP Lender upon the DIP Collateral shall be charged against or recovered from the DIP Collateral as to the DIP Lender, whether pursuant to section 506(c) of the Bankruptcy Code, any other legal or equitable doctrine (including unjust enrichment) or otherwise, without the prior written consent of the DIP Lender, in its sole discretion, with respect to the DIP Collateral, and no such consent shall be implied, directly or indirectly, from anything contained in this Interim Order (including, without limitation, consent to the Carve Out or the approval of any budget hereunder) or from any other action, inaction, or acquiescence by the DIP Lender.

24. *No Marshaling*. Subject to entry of the Final Order, in no event shall the DIP Lender be subject to the equitable doctrine of "marshaling" or any similar doctrine with respect to the DIP Collateral, or the DIP Obligations, and all proceeds of the DIP Collateral shall be received and applied in accordance with this Interim Order and the DIP Term Sheet.

25. *Right to Credit Bid*. Subject to section 363(k) of the Bankruptcy Code, as applicable, the DIP Lender or its designee (which may be an acquisition vehicle formed by the DIP Lender) shall have the unqualified right to credit bid up to the full amount of the applicable priority DIP Obligations in any sale of all or any portion of DIP Collateral (including, for the avoidance of doubt, any asset for which the DIP Collateral is limited to the proceeds thereof as a result of applicable law prohibiting encumbrances from being attached to such asset), subject to and in accordance with the DIP Term Sheet, without the need for further order of the Court authorizing same, whether in a sale under or pursuant to section 363 of the Bankruptcy Code, a chapter 11 plan subject to confirmation under section 1129(b)(2)(A) of the Bankruptcy Code, a sale or disposition by a chapter 7 trustee for the Debtor under section 725 of the Bankruptcy Code, or otherwise. The DIP Lender shall have the absolute right to assign, transfer, sell, or otherwise dispose of its rights to credit bid (subject to this Interim Order) to any acquisition vehicle formed in connection with such bid or other designee.

26. *Binding Effect; Successors and Assigns*. Immediately upon entry of this Interim Order, the provisions of the DIP Term Sheet and this Interim Order, including all findings and conclusions of law herein, shall be binding upon all parties in interest in the Chapter 11 Case and any Successor Case, including without limitation, the DIP Lender, any Committee or any other committee appointed or formed in the Chapter 11 Case and any Successor Case, and their respective successors and assigns (including any chapter 11 trustee or chapter 7 trustee or examiner

appointed or elected in the Chapter 11 Case or any Successor Case, or any other fiduciary appointed as a legal representative of the Debtor or with respect to the property of the estate of the Debtor), and shall inure to the benefit of the Debtor, the DIP Lender, and their respective successors and assigns; *provided*, for the avoidance of doubt, that the DIP Lender shall have no obligation to make any loan, permit the use of DIP Collateral (including any Cash Collateral) or extend any financing to any chapter 11 trustee or chapter 7 trustee or similar responsible person appointed for the estate of the Debtor in the Chapter 11 Case or any Successor Case.

27. *No Modification of Interim Order*. Until and unless the DIP Obligations have been Paid in Full, the Debtor irrevocably waives the right to seek, and shall not seek or consent to, directly or indirectly, without the prior written consent of the DIP Lender, (a) any modification, stay, vacatur or amendment to this Interim Order, (b) the allowance of any claim against the Debtor in the Chapter 11 Case or any Successor Case equal or superior to the DIP Superpriority Claims (other than the Carve Out), (c) the grant of any lien or security interest on any DIP Collateral with priority equal to or superior to the DIP Liens, except as expressly permitted hereunder or under the DIP Term Sheet, or (d) the entry of any order authorizing the use of DIP Collateral (including Cash Collateral) that is inconsistent with this Interim Order.

28. *Proceeds of Subsequent Financings*. Without limiting the provisions of the immediately preceding paragraph, if at any time prior to the Payment in Full of all of the DIP Obligations, either the Debtor, its estate, any chapter 11 trustee, chapter 7 trustee or examiner with enlarged powers, or any responsible officer subsequently appointed in the Chapter 11 Case or any Successor Case, shall obtain credit or incur debt pursuant to sections 364(b), (c), or (d) of the Bankruptcy Code in violation of this Interim Order or the DIP Term Sheet, then, unless otherwise agreed in writing by the DIP Lender, all of the cash proceeds derived from such credit or debt

intended to refinance the DIP Obligations shall immediately be paid to the DIP Lender on account of its DIP Obligations pursuant to the DIP Term Sheet.

29. *Preservation of Rights Granted Under Interim Order.*

(a) Good Faith Under Section 364(e) of the Bankruptcy Code. The DIP Lender has acted in good faith in connection with this Interim Order, the DIP Facility and the DIP Term Sheet, and its reliance on this Interim Order is in good faith. Based on the findings set forth in this Interim Order and upon the record made at the Interim Hearing and during the Chapter 11 Case, the DIP Lender is entitled to the protections provided in section 364(e) of the Bankruptcy Code. If any or all of the provisions of this Interim Order or the DIP Term Sheet are hereafter reversed, modified, vacated or stayed by a subsequent judgment or order of this Court or any other court, any such reversal, stay, modification or vacatur shall not affect (i) the validity or enforceability of advances previously made hereunder or under the DIP Term Sheet by the DIP Lender to the Debtor, (ii) the validity or enforceability of any obligation, indebtedness or liability incurred under this Interim Order or the DIP Term Sheet by the Debtor to the DIP Lender, (iii) the validity, enforceability, or perfection of any of the claims, liens, security interests, rights, privileges or benefits granted hereunder or under the DIP Term Sheet, or (iv) the payment of any fees, costs, expenses or other amounts, in the case of each of the foregoing, prior to the actual receipt of written notice by the DIP Lender, to be sent as of the effective date of such reversal, stay, modification, or vacatur. Notwithstanding any such reversal, stay, modification or vacatur, any such claim, lien, or security interest, right, privilege, remedy or benefit shall be governed in all respects by the original provisions of this Interim Order and the DIP Term Sheet.

(b) Survival. Notwithstanding anything contained herein or in the DIP Term Sheet to the contrary, the terms and provisions of this Interim Order and the DIP Term Sheet

(including, without limitation, all of the claims, liens and security interests, rights, priorities, privileges, remedies, benefits, and protections granted to the DIP Lender under this Interim Order and the DIP Term Sheet), and any actions taken pursuant hereto or thereto, shall survive, shall continue in full force and effect, shall remain binding on all parties-in-interest, and shall be governed by the original provisions of this Interim Order and maintain their priorities as set forth in this Interim Order, and shall not be modified, impaired, or discharged by, entry of any order that may be entered (i) confirming any chapter 11 plan in the Chapter 11 Case, (ii) converting the Chapter 11 Case to a case under chapter 7 of the Bankruptcy Code, (iii) dismissing the Chapter 11 Case, (iv) pursuant to which the Court abstains from hearing the Chapter 11 Case, or (v) approving the sale or disposition of any DIP Collateral (except as expressly permitted in the DIP Term Sheet), in each case, until all of the DIP Obligations have been Paid in Full (unless the DIP Lender has otherwise agreed in writing).

(c) Dismissal/Conversion. If any order dismissing the Chapter 11 Case under section 1112 of the Bankruptcy Code or converting the Chapter 11 Case to a case under chapter 7 of the Bankruptcy Code otherwise is at any time entered, such order shall provide (in accordance with sections 105 and 349 of the Bankruptcy Code), that (i) all of the claims, liens and security interests, rights, priorities, privileges, remedies, benefits and protections granted to the DIP Lender hereunder and under the DIP Term Sheet shall continue in full force and effect and shall maintain their priorities as provided in this Interim Order until all DIP Obligations have been Paid in Full (and that all such claims, liens and security interests, rights, priorities, privileges, remedies, benefits and protections, notwithstanding such dismissal or conversion, remain binding on all parties in interest), and (ii) this Court shall retain jurisdiction, notwithstanding such dismissal or conversion, for the purposes of enforcing this Interim Order, the DIP Term Sheet, and all of the

claims, liens and security interests, rights, priorities, privileges, remedies, benefits and protections granted to the DIP Lender.

30. *Loss or Damage to Collateral*. So long as the DIP Lender complies with its obligations under the DIP Term Sheet and does not engage in willful misconduct, gross negligence, or actual fraud in respect thereof, (a) the DIP Lender shall not, in any way or manner, be liable or responsible for (i) the safekeeping of the DIP Collateral, (ii) any loss or damage thereto occurring or arising in any manner or fashion from any cause, (iii) any diminution in the value thereof, or (iv) any act or default of any carrier, servicer, bailee, custodian, forwarding agency, or other person, and (b) all risk of loss, damage, or destruction of the DIP Collateral shall be borne solely by the Debtor.

31. *Proofs of Claim*. The DIP Lender shall not be required to file a proof of claim or request for payment of administrative expenses in the Chapter 11 Case or any Successor Case in order to assert claims for payment or otherwise in respect of the DIP Obligations. The Debtor's Stipulations, acknowledgments and provisions of this Interim Order are deemed sufficient to and do constitute timely filed proofs of claim or request for payment of administrative expenses in respect of such claims arising under the DIP Documents against the Debtor. Any order entered by the Court establishing a bar date in the Chapter 11 Case or any Successor Case shall not apply to the DIP Lender or the DIP Obligations; *provided*, *however*, that, notwithstanding any order entered by the Court establishing a bar date in the Chapter 11 Case or any Successor Case to the contrary, the DIP Lender, in its sole discretion, may (but is not required to) file (and amend and/or supplement) a proof of claim and/or aggregate proofs of claim in the Chapter 11 Case and any Successor Case, and any such proof of claim may (but is not required to be) filed as one consolidated master proof of claim in the Debtor's Chapter 11 Case. Such consolidated or master

proofs of claim shall not be required to attach any instruments, agreements or other documents evidencing the obligations owing by the Debtor to the applicable party, which instruments, agreements, or other documents will be provided upon reasonable written request to the DIP Lender, as the case may be. Any proof of claim filed by or on behalf of the DIP Lender shall be deemed to be in addition to (and not in lieu of) any other proof of claim that may be filed by any such persons. The provisions set forth in this paragraph are intended solely for the purpose of administrative convenience and shall not affect the substantive rights of any party-in-interest or their respective successors-in-interest.

32. *Limitation of Liability*. Nothing in this Interim Order, the DIP Term Sheet or any documents related thereto shall in any way be construed or interpreted to impose or allow the imposition upon the DIP Lender of any liability for any claim arising from, in connection with or related to the prepetition or postpetition activities of the Debtor or its affiliates in the operation of its business, its restructuring efforts or in connection with the administration of the Chapter 11 Case. In determining to make any loan or extension of credit or permit the use of Cash Collateral under the DIP Term Sheet, the DIP Lender shall not (a) be deemed to be in control of the operations of the Debtor, (b) owe any fiduciary duty to the Debtor or its creditors, shareholders (or other equity or membership interest holders) or estate, or (c) be deemed to be acting as a "Responsible Person" or "Owner" or "Operator" with respect to the operation or management of the Debtor (as such terms or any similar terms are used in the United States Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S. §§ 9601 et seq., as amended, or any similar federal or state statute).

33. *Payments Free and Clear*. Subject to the Carve Out, any and all payments or proceeds remitted to the DIP Lender pursuant to the DIP Term Sheet, the other DIP Documents,

this Interim Order, the Final Order (if and when entered) or any subsequent order of this Court shall be irrevocable (subject, solely in the case of certain professional fees, the fee review procedures set forth in paragraph 10 of this Interim Order), received free and clear of any claim, charge, assessment or other liability, including without limitation, any claim or charge asserted or assessed by, through or on behalf of the Debtor (subject to paragraph 24 hereof) or otherwise.

34. *Third Party Beneficiary*. Except as expressly set forth herein, no rights are created hereunder for the benefit of any third party, any creditor or any direct, indirect, or incidental beneficiary.

35. *Interim Order Controls*. In the event of any conflict or inconsistency between or among the terms or provisions of this Interim Order and the DIP Term Sheet, unless such term or provision in this Interim Order is phrased in terms of "defined in" or "as set forth in" the DIP Term Sheet, the terms and provisions of this Interim Order shall govern and control.

36. *Effectiveness*. This Interim Order shall constitute findings of fact and conclusions of law in accordance with Bankruptcy Rule 7052 and shall take effect and be fully enforceable effective as of the Petition Date immediately upon entry hereof. Notwithstanding Bankruptcy Rules 4001(a)(3), 6004(h), 6006(d), 7062, or 9014, any Local Rule, or Rule 62(a) of the Federal Rules of Civil Procedure, this Interim Order shall be immediately effective and enforceable upon its entry and there shall be no stay of execution or effectiveness of this Interim Order.

37. *Bankruptcy Rules*. The requirements of Bankruptcy Rules 4001, 6003, and 6004, in each case to the extent applicable, are satisfied by the contents of the Motion.

38. *Headings*. Section headings used herein are for convenience only and are not to affect the construction of or to be taken into consideration in interpreting this Interim Order. When used in this Interim Order, the word "including" shall not imply limitation.

39. *Necessary Action*. The Debtor is authorized to take any and all such actions as are necessary, required, or appropriate to implement and effectuate the terms of this Interim Order, the DIP Term Sheet and the transactions contemplated hereunder and thereunder.

40. *Retention of Jurisdiction*. The Court retains jurisdiction to hear, determine and, if applicable, enforce the terms of any and all matters arising from or related to the DIP Facility, the DIP Term Sheet, and this Interim Order.

41. *Final Hearing*. The Final Hearing shall be held on July [●], 2026 at [●]:[●] [p./a].m (prevailing Eastern Time), and any objections to the final relief sought in the Motion shall be filed with the Court no later than July [●], 2026 at 4:00 p.m. (prevailing Eastern Time) and served upon the following: (a) counsel to the DIP Lender, (i) Norton Rose Fulbright US LLP, 1301 Avenue of the Americas, New York, New York 10019, Attn: Robert M. Hirsh (robert.hirsh@nortonrosefulbright.com), James A. Copeland (james.copeland@nortonrosefulbright.com), and Emily Hong (emily.hong@nortonrosefulbright.com) and (ii) Ice Miller LLP, 500 Delaware Avenue, Suite 220, Wilmington, Delaware 19801, Attn: Aaron H. Stulman (aaron.stulman@icemiller.com); (b) proposed counsel to the Debtor, (i) Cooley LLP, 55 Hudson Yards, New York, New York 10001, Attn: Cullen Drescher Speckhart (cspeckhart@cooley.com) and Lauren A. Reichardt (lreichardt@cooley.com) and (ii) Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, Delaware 19801, Attn: Daniel J. DeFranceschi (defranceschi@rlf.com), Amanda R. Steele (steele@rlf.com), and Brendan J. Schlauch (schlauch@rlf.com); and (c) Office of the U.S. Trustee, U.S. Department of Justice, 844 N. King St., Rm. 2207, Wilmington, DE 19801 Attn: [●].

42. *Notice of Entry of Interim Order*. The Debtor shall serve in accordance with Local Rule 9013-1(m)(iv) copies of this Interim Order to the parties that have been given notice of the Interim Hearing, to any party that has filed a request for notices with this Court and to the Committee (if appointed).

Exhibit 1

DIP Term Sheet

Execution Version

June 22, 2026

Sangamo Therapeutics, Inc., *et al.*
$30,000,000
Debtor-in-Possession Term Loan Facility
Summary of Terms and Conditions

This term sheet (together with the exhibits and schedules hereto, this "Term Sheet") sets forth a summary of the terms and conditions with respect to the DIP Facility (as defined below) from and after, and subject to, the entry of the DIP Orders (as defined below). This Term Sheet shall be a binding agreement between the DIP Lender and Loan Parties from and after execution, subject to the entry of the Interim Order with respect to the DIP Facility (as defined below), but does not purport to summarize all of the terms, conditions, representations and other provisions with respect to the DIP Facility, which will be set forth in the DIP Documents (as defined below). The obligation of the DIP Lender (as defined below) to provide financing pursuant to this Term Sheet is conditioned upon the execution and delivery of signature pages to this Term Sheet by each of the parties hereto and shall be subject to the conditions precedent and other terms and conditions set forth herein. In the event of any conflict between this Term Sheet and the terms of the Interim Order or the Final Order (in each case, as defined below), the terms of the DIP Orders, as applicable, shall govern.

This Term Sheet is a binding and enforceable agreement to the extent provided under title 11 of the United States Bankruptcy Code (the "Bankruptcy Code"), subject to entry of the DIP Orders with respect to the Debtor, with respect to the subject matter contained herein, including an agreement to negotiate in good faith the DIP Documents by the parties hereto in a manner consistent with this Term Sheet, it being acknowledged and agreed that the funding or availability of the DIP Facility is subject to the applicable conditions precedent set forth in this Term Sheet and, as applicable, the other DIP Documents.

1.	***Borrower and Guarantors***	• **Borrower**: Sangamo Therapeutics, Inc. ("**Sangamo**" or "**Borrower**"). • **Guarantors**: All obligations under the DIP Facility will be guaranteed as a guaranty of collection only by each of Borrower's direct and indirect subsidiaries and affiliates (collectively, the "**Guarantors**" and each a "**Guarantor**" and together with the Borrower, the "**Loan Parties**" and each a "**Loan Party**"). • Sangamo is expected to be a debtor and debtor-in-possession in its anticipated bankruptcy case (such case, the "**Chapter 11 Case**," and in such capacity, the "**Debtor**") under chapter 11 of title 11 of the United States Code (the "**Bankruptcy Code**") to be commenced in the United States Bankruptcy Court for the District of Delaware (the "**Bankruptcy Court**") on or about June 23, 2026 (such date, the "**Petition Date**").
2.	***DIP Lender***	• Northridge ATM, LLC ("**Northridge**") and its subsidiaries, affiliates, designees, and assignees (together with Northridge, the "**DIP Lender**").
3.	***Type and Amount of the DIP Facility***	• A non-amortizing super-priority senior secured term loan facility in an aggregate principal amount not to exceed $30,000,000 in term loan commitments (the "**DIP Facility**"; the DIP Lender's commitments under the DIP Facility, the "**DIP Commitments**" and the loans made pursuant to the DIP Facility, the "**DIP Loans**").

		• The borrowing of DIP Loans shall permanently decrease the DIP Commitments on a dollar-for-dollar basis, and DIP Loans repaid may not be reborrowed. • The Initial Draw (as defined below) shall be funded into the DIP Bank Account (as defined below) and shall be used solely in accordance with the DIP Orders and the Budget, subject to the Permitted Variance (in each case, as defined below). • DIP Loan proceeds shall be funded into a segregated Bank Account to be opened or otherwise designated by the Borrower (the "**DIP Bank Account**") and the Loan Parties shall obtain a satisfactory control agreement in favor of the DIP Lender to be entered into within thirty (30) days after the entry of the Final Order, subject to a 30-day cure period if the Loan Parties are using commercially reasonable efforts to obtain a satisfactory control agreement; provided that the Carve-Out (as defined below) shall be funded as described in the order, in form and substance acceptable to the DIP Lender, approving, on an interim basis, the DIP Facility and this Term Sheet (the "**Interim Order**").
4.	***Interim Approval and Availability***	• Upon the Bankruptcy Court's entry of the Interim Order, and satisfaction of all applicable conditions precedent described in Section 15 herein, the DIP Lender shall make available an aggregate amount of up to $10,500,000 (the "**Interim Amount**") in DIP Loans. The Borrower shall be entitled to make a draw of the DIP Loans as described in Section 6 below immediately upon entry of the Interim Order (the first draw under the DIP Facility, the "**Initial Draw**" and each draw after the Initial Draw, if any, an "**Other Draw**" and collectively, the "**Other Draws**," and together with the Initial Draw, the "**Draws**" and each a "**Draw**"). The closing of definitive DIP Documents (such date shall be referred to herein as the "**Closing Date**") shall occur as soon as reasonably possible after the entry of the Final Order, but in any event no later than two (2) business days thereafter unless the DIP Lender agrees otherwise.
5.	***Final Approval***	• Upon (i) the Bankruptcy Court's entry of the Final Order and (ii) the satisfaction of all applicable conditions described in Sections 15 and 16 herein (or, as the case may be, the other applicable DIP Documents), the full amount of the DIP Facility shall be available to the Debtor, subject to compliance with the terms, conditions, and covenants described in the DIP Documents.
6.	***Draws***	• Subject to satisfaction of all conditions to the Initial Draw or Other Draws set forth in Sections 15 and 16 below, as applicable, the Borrower shall be entitled to make Draws of the DIP Loans solely in accordance with the Budget, up to the amount of the undrawn DIP Commitments. • The Initial Draw shall be made within two (2) business days after entry of the Interim Order. Each Other Draw shall be made (in an aggregate minimum amount of $5,000,000 and, thereafter, in multiples thereof) upon three (3) business days' written notice (or such shorter period as agreed to by the DIP Lender in its sole discretion), up to the aggregate

		amount of the available undrawn DIP Commitments at any time prior to the date that is three business days before the DIP Termination Date (as defined below).
7.	***Maturity and Termination***	• All DIP Obligations (as defined below) shall be due and payable in full in cash ("**Payment in Full**"[1] or such other form of consideration as the DIP Lender and the Borrower may mutually agree) on the earliest of the following (such earliest date, the "**DIP Termination Date**"): i. December 30, 2026; ii. the effective date of any chapter 11 plan with respect to the Borrower (a "**Plan**"); iii. the consummation of the sale or other disposition of all or substantially all of the assets of the Loan Parties pursuant to section 363 of the Bankruptcy Code; provided, however, that, for the avoidance of doubt, the consummation of either the transaction contemplated by the Merope APA or the transactions contemplated by the Lumos APA, in each case individually, shall not constitute a sale or other disposition of all or substantially all of the assets of the Loan Parties; iv. the date of the acceleration of the DIP Loans and the termination of the DIP Commitments following the occurrence and during the continuation of an Event of Default (as defined below and, as applicable, in the DIP Documents) in accordance with the DIP Documents; v. dismissal of the Chapter 11 Case, conversion of the Chapter 11 Case into a case under chapter 7 of the Bankruptcy Code, or the appointment of a trustee or examiner in the Chapter 11 Case; and vi. thirty-five (35) days after the Petition Date, unless the Final Order has been entered by the Bankruptcy Court on or prior to such date, unless otherwise extended in writing by the DIP Lender in its sole discretion. • The occurrence of the DIP Termination Date shall terminate the ability of the Borrower to borrow under the DIP Facility and use any proceeds thereof (other than the Carve-Out), including Cash Collateral (as defined in the DIP Orders) and shall terminate the DIP Commitments and any further obligation the DIP Lender has to make any DIP Loans under the DIP Documents.
8.	***Interest Rate***	• The DIP Loans shall bear interest at a per annum rate equal to twelve percent (12.0%) payable in cash on the first business day of each month in arrears (the "**Non-Default Interest**").

[1] For purposes hereof, the term "**Payment in Full**" or, as applicable, "**Paid in Full**," means, with respect to the DIP Obligations, the irrevocable and indefeasible payment in full in cash of all DIP Obligations, other than continuing indemnification and expense reimbursement obligations for which no claim or demand has been asserted, and all commitments thereunder shall have irrevocably, permanently, and finally expired or shall have been terminated, cancelled, and discharged.

		• Notwithstanding the foregoing, after the occurrence and during the continuance of an Event of Default, the DIP Loans shall bear interest at an additional per annum rate of two percent (2.0%), in each case payable in cash, together with the Non-Default Interest, on the first day of each month in arrears.
9.	***DIP Fees***	• **Commitment Fee**. The Borrower shall pay to the DIP Lender a commitment fee equal to two percent (2.0%) of the total amount of the DIP Commitments (the "**Commitment Fee**"), which Commitment Fee shall be approved on a final basis, fully earned, and allowed, non-refundable and not be subject to reduction, setoff, or recoupment for any reason upon entry of the Interim Order and shall be payable out of the proceeds of the Initial Draw or cash on hand within two (2) business days after the entry of the Interim Order. The Commitment Fee shall be paid in cash to the DIP Lender promptly after the Bankruptcy Court's entry of the Interim Order, but in no event shall the Commitment Fee be paid later than the date that is two (2) business days after the entry of the Interim Order. • **Exit Fee**. The Borrower shall pay to the DIP Lender an exit fee in the amount of five percent (5.0%) of the total amount of the DIP Commitments (the "**Exit Fee**"), which Exit Fee shall be approved on a final basis, fully earned, and allowed, non-refundable and not be subject to reduction, setoff, or recoupment for any reason upon entry of the Interim Order. The Exit Fee shall be due and payable in cash upon the earliest of (i) the DIP Termination Date, (ii) Payment in Full of the DIP Obligations, and (iii) on a *pro rata* basis for any Mandatory Prepayment or Voluntary Prepayment of the DIP Obligations; provided, however, that, if the DIP Termination Date has occurred solely as a result of the occurrence and continuation of an Event of Default under the DIP Documents, then the Exit Fee shall not be payable until the DIP Obligations have been accelerated by the DIP Lender. • **Work Fee**. Sangamo paid to the DIP Lender (or its counsel) a work fee in the amount of $75,000 (the "**Work Fee**"), which Work Fee shall be fully earned, non-refundable, and allowed upon execution of this Term Sheet. The Interim Order shall provide that the Work Fee shall be approved on a final basis, fully earned and allowed, non-refundable and not be subject to reduction, setoff or recoupment for any reason. The Work Fee was paid in cash to the DIP Lender's counsel before the Petition Date and the DIP Lender acknowledges and agrees that the Work Fee was received by its counsel on June 15, 2026. Any unused amount of the Work Fee shall be carried forward to offset legal expenses of the DIP Lender during the case. • The Commitment Fee, the Exit Fee, and the Work Fee shall be approved on a final basis by the Bankruptcy Court as set forth above as part of the Interim Order. If such fees are not approved on a final basis by the Bankruptcy Court and paid as set forth herein, this Term Sheet and any applicable DIP Documents shall automatically terminate and be of no further force and effect. For the avoidance of doubt, the Commitment Fee and the Exit Fee, to the extent earned and payable under the DIP

		Documents, shall be payable even if the DIP Facility (including any portion of the DIP Commitments) is never drawn. • If the Interim Order is not entered by the Bankruptcy Court within five (5) business days after the Petition Date, this Term Sheet and any applicable DIP Documents shall automatically terminate and be of no further force and effect.
10.	***Use of Proceeds***	• The proceeds of the DIP Facility and/or the DIP Collateral (as defined below) shall be used only for the following purposes and, excluding payments pursuant to clauses (ii), (iii), and (iv) below, subject to the Budget and the Permitted Variance: i. working capital and other general corporate purposes of the Loan Parties; ii. professional fees and expenses of the Debtor's estates in administering the Chapter 11 Case (including fees incurred prior to the Closing Date) in accordance with the Budget (including Permitted Variances), the Bankruptcy Code, and any orders of the Bankruptcy Court, as applicable; iii. fees and expenses payable under the DIP Facility, including, without limitation, the Commitment Fee, the Exit Fee, the Work Fee, and professional fees and expenses of the DIP Lender (including legal fees and expenses incurred prior to the Closing Date); iv. interest and other amounts payable under the DIP Facility and the DIP Documents; and v. any other purpose not prohibited by the DIP Orders. • Notwithstanding any other provision of this Term Sheet, no DIP Loans, DIP Collateral, or proceeds of the foregoing (including, for the avoidance of doubt, any portion of the Carve-Out), may be used directly or indirectly by any Debtor, the official committee of unsecured creditors in the Chapter 11 Case (the "**Committee**"), any other official committee appointed in the Chapter 11 Case, any trustee or examiner appointed in the Chapter 11 Case or any successor cases (including a chapter 7 case), or any other Person, party, or entity (each of the following, a "**Restricted Use**"): i. in connection with the investigation, initiation or prosecution of any claims, causes of action, adversary proceedings, litigation, challenge, objection, or other proceeding: a. against the DIP Lender or its predecessors-in-interest, successors, assigns, agents, affiliates, representatives, attorneys, or advisors, or any action purporting to do the foregoing in respect of the DIP Obligations, DIP Liens (as defined below), DIP Claims (as defined below), or any other term, condition, or aspect of the DIP Facility; or

		b. challenging the amount, validity, perfection, priority or enforceability of or asserting any defense, counterclaim or offset to, the DIP Obligations and/or the liens, claims, rights, or security interests granted under the DIP Orders or the other DIP Documents, including, in each case, without limitation, for lender liability or pursuant to section 105, 510, 544, 547, 548, 549, 550, or 552 of the Bankruptcy Code, applicable non-bankruptcy law, or otherwise; ii. to prevent, hinder, or otherwise delay the DIP Lender's enforcement or realization on the DIP Obligations, DIP Collateral, and the liens, claims, and rights granted to such parties under the DIP Orders, each in accordance with the DIP Documents and the DIP Orders, as applicable; provided, however, that this shall not apply to a challenge to whether a DIP Termination Event has occurred or is continuing in accordance with the DIP Orders and/or the propriety of the DIP Lender's termination and/or acceleration of the DIP Obligations or calculation of the amounts owed thereunder; iii. to use or seek to use DIP Collateral or sell or otherwise dispose of DIP Collateral without the consent of the DIP Lender, which shall not be unreasonably conditioned or delayed; iv. to seek to modify any of the rights and remedies granted to the DIP Lender under the DIP Orders (other than with the consents contemplated thereunder), the DIP Documents, or applicable law; or v. to apply to the Bankruptcy Court for authority to approve claims or grant liens (other than the Carve-Out) or security interests in the DIP Collateral or any portion thereof that are senior to, or on parity with, the DIP Liens, DIP Claims, unless permitted under the DIP Documents or unless all DIP Obligations and claims granted to the DIP Lender under the DIP Orders have been refinanced with the DIP Lender's consent or Paid in Full in cash or otherwise agreed to in writing by the DIP Lender in its sole discretion.
11.	***Voluntary and Mandatory Prepayments***	• **Voluntary Prepayments**. Optional prepayments of the DIP Loans shall be permitted at any time, subject to (i) allocation of such payment to the ratable portion of the Exit Fee due thereon (which, for the avoidance of doubt, shall be deemed to be due and payable on the date of such voluntary prepayment), (ii) accrued interest on the amount prepaid, and (iii) in minimum amounts of at least $1,000,000 of principal.

		• **Mandatory Prepayments**. i. **Dispositions**. Within one (1) business day of the date of receipt by any Loan Party of the Net Cash Proceeds[2] of any disposition (whether through a voluntary or involuntary sale, the loss, destruction, or damage thereof or any actual condemnation, confiscation, requisition, seizure, or taking thereof or otherwise) of DIP Collateral (which, for the avoidance of doubt, shall exclude the disposition of other DIP Collateral in the ordinary course of business), such Loan Party shall prepay such portion of the outstanding amount of the DIP Obligations in accordance with the applicable DIP Documents in an amount equal to 100% of the Net Cash Proceeds (including applicable insurance proceeds, condemnation awards, and payments in lieu thereof) received in connection with such sales or dispositions. Such Net Cash Proceeds shall be applied to the repayment of principal, accrued interest, and the allocable portion of the Exit Fee. ii. **Indebtedness**. Within one (1) business day of the date on which a Loan Party receives proceeds of any indebtedness (other than permitted indebtedness set forth in the applicable DIP Documents), such Loan Party shall prepay the outstanding principal amount of the DIP Obligations in accordance with the applicable DIP Documents in an amount equal to 100% of the Net Cash Proceeds received by such Person in connection with the incurrence of such indebtedness, plus the accrued interest and Exit Fee as applied to the principal amount of such prepayment. • No reinvestment of the net proceeds of any asset sales or other proceeds described above shall be permitted without the prior written consent of the DIP Lender in its sole discretion, which shall not be unreasonably conditioned or delayed.
12.	***Security***	• As security for the DIP Obligations, and effective upon entry of the Interim Order as to the Debtor and upon execution of this DIP Term Sheet as to non-Debtor Loan Parties, each Loan Party and its estate shall grant

[2] For purposes hereof, the term "**Net Cash Proceeds**" means, with respect to any sale or disposition of the DIP Collateral, in whole or in part, by any Person, the amount of cash proceeds received (directly or indirectly) from time to time (whether as initial consideration or through the payment of deferred consideration) by or on behalf of such Person, in connection therewith, after deducting therefrom only (a) estimated fees, commissions, and expenses related thereto and required to be paid in connection with such sale or disposition, including any bid protections payable pursuant to an Acceptable Stalking Horse Purchase Agreement, (b) estimated taxes paid or payable to any taxing authorities in connection with such sale or disposition, in each case, only to the extent, that the amounts so deducted are properly attributable to such transaction and (c) any escrow or reserve for any adjustment in respect of the sale price of such asset or assets and indemnification payments (fixed or contingent) attributable to seller's indemnities and representations and warranties to purchaser in respect of the applicable sale or disposition or other liabilities in connection with such sale or disposition (provided that upon release of any such escrow or reserve, the amount released shall be considered Net Cash Proceeds). Moreover, for the purposes hereof, the term "**Person**" means any natural person, corporation, limited liability company, limited partnership, general partnership, limited liability partnership, joint venture, trust, land trust, business or statutory trust, or other organization, irrespective of whether constituting a separate legal entity, and governments and agencies and political subdivisions thereof.

		to the DIP Lender, subject to the priorities set forth in Section 13 below and the DIP Orders (as applicable), liens on all of such Loan Party's and its estate's right, title, and interest in, to and under such Loan Party's and its estate's assets and property, in each case, whether now owned or existing or hereafter acquired, created or arising and wherever located, including, but not limited to, the following (all such assets and property collectively referred to as the "**DIP Collateral**"): (i) all Cash Collateral, all contracts (including, without limitation, any Acceptable Stalking Horse Purchase Agreement (as defined below)), contract rights, licenses, general intangibles (including, without limitation, all payment intangibles), instruments (including, without limitation, promissory notes), equipment (including, without limitation, documents of title), accounts, documents, goods, vehicles, inventory, furniture, fixtures, commercial tort claims, cash, cash equivalents, accounts receivables, chattel paper, letters of credit and letter of credit rights, securities (whether or not marketable), limited liability company interests, and investment property (including, without limitation, all of the issued and outstanding capital stock of each Loan Party's current and future subsidiaries (including the Foreign Subsidiaries), all securities accounts and security entitlements related thereto, and financial assets carried therein, and all commodity accounts and commodity contracts), guarantees, arbitration awards, money, rights to the payment of money (including, without limitation, tax refunds and any other extraordinary payments), insurance, receivables, receivables records, securities accounts, deposit accounts, collateral support, supporting obligations and instruments, all interests in leaseholds and real properties, all patents, copyrights, trademarks, service marks, all trade names and other intellectual property (whether such intellectual property is registered in the United States or in any foreign jurisdiction), and all substitutions, indemnification rights, all present and future intercompany debt, fee interests in real property owned by a Loan Party, books, records, ledger cards, files, correspondence, customer lists, blueprints, technical specifications, manuals, computer software, computer printouts, tapes, disks, and other electronic storage media and related data processing software related to the foregoing, and all proceeds, products, accessions, rents and profits of or in respect of any of the foregoing, including insurance proceeds or other proceeds (as such terms are defined in the Uniform Commercial Code as in effect from time to time in the State of New York); (ii) all causes of actions under section 549 of the Bankruptcy Code to recover any postpetition transfer of DIP Collateral and any proceeds thereof; and (iii) all Avoidance Actions[3] and any proceeds thereof, recoveries related thereto, and property received or recovered on account thereof. Notwithstanding anything to the contrary set forth in this Term Sheet, in no event shall any Loan Party be required to deliver any

[3] The term "**Avoidance Actions**" means any and all avoidance, recovery, subordination or other claims, actions or remedies that may be brought by or on behalf of any Debtor or its estate or other authorized parties in interest under the Bankruptcy Code or other applicable law, including, without limitation, actions or remedies under sections 544, 545, 547, 548, and 550 of the Bankruptcy Code or under similar or related state or federal statutes and common law, including, without limitation, fraudulent transfer laws.

		security agreement or any other DIP Document that is governed by any non-United States jurisdiction. • The Loan Parties represent and warrant to the DIP Lender that, subject to Bankruptcy Court approval (as applicable), the Loan Parties have full right and power to grant to the DIP Lender perfected security interest and liens, on their respective interests in the DIP Collateral. • Negative pledge on all assets of the Loan Parties subject to the Carve-Out, under the DIP Documents. • In addition to appropriate orders of the Bankruptcy Court granting and perfecting such liens, the Loan Parties shall take all other commercially reasonable steps regarding the execution and filing of UCC financing statements, requested by DIP Lender.
13.	***Priority and Security***	• Subject to only the Carve-Out and Permitted Liens (as to be defined in the DIP Credit Agreement), all obligations of the Loan Parties under the DIP Documents, including, without limitation, all principal, accrued interest, costs, fees and premiums provided for therein, and all obligations of the Loan Parties under the DIP Facility (the "**DIP Obligations**") shall be entitled to, as applicable, (i) a first-priority lien, (ii) a senior first-priority lien on unencumbered assets and property, and (iii) superpriority claim status pursuant to sections 364(c) and 364(d) of the Bankruptcy Code, with senior priority over any and all liens and secured claims, administrative-expense claims, other priority claims, and other unsecured claims, of any kind or nature whatsoever, now existing or hereafter arising under the Bankruptcy Code (such superpriority claims, the "**DIP Claims**"); provided, however, that the DIP Claims shall not have priority over any bid protections approved by the Bankruptcy Court in the Chapter 11 Case. • Subject to the Carve-Out, all DIP Obligations in respect of the DIP Facility shall be, at a minimum: i. entitled to superpriority claim status in the Chapter 11 Case pursuant to section 364(c)(1) of the Bankruptcy Code (which claims shall be payable from and have recourse to all DIP Collateral); ii. secured, pursuant to section 364(c)(2) of the Bankruptcy Code, by a valid, enforceable, fully perfected and automatic first-priority lien on all DIP Collateral that is not subject to a valid, perfected, non-avoidable lien or security interest (including any such lien or security interest that is perfected after the Petition Date as permitted by section 546(b) of the Bankruptcy Code); and iii. secured, pursuant to section 364(d)(1) of the Bankruptcy Code, by an automatically perfected first-priority lien on all DIP Collateral that is subject to a valid, perfected, non-avoidable lien or security interest (including any such liens or security interests that are perfected after the Petition Date as permitted by section 546(b) of the Bankruptcy Code).

		• The liens securing the DIP Facility (the "**DIP Liens**") shall mean the liens described above and with the priority set forth in the DIP Orders. The DIP Liens described herein shall, to the fullest extent permitted by applicable law, be automatically effected and perfected upon entry of the Interim Order and without the necessity of the execution or filing of mortgages, landlord agreements, security agreements, pledge agreements, control agreements, financing statements, or other agreements. • Notwithstanding anything herein to the contrary, upon consummation of a sale pursuant to an Acceptable Stalking Horse Purchase Agreement, the DIP Liens shall automatically be released from the applicable acquired assets that are DIP Collateral without the need for further action, consent, or documentation from the DIP Lender, and the DIP Lender shall be deemed to consent to the release of such DIP Liens pursuant to section 363(f)(2) of the Bankruptcy Code
14.	***Remedies and Waiting Period Procedures***	• Upon the occurrence and during the continuation of an Event of Default under this Term Sheet or any other DIP Document, the DIP Lender shall be entitled to exercise any and all remedies customarily available in the Chapter 11 Case, including, without limitation, those remedies customarily available to a senior secured, administrative expense claim of a debtor-in-possession lender, which shall include, without limitation, the right to (subject to the Carve-Out): i. declare that the DIP Commitments are terminated, reduced or restricted, whereupon the DIP Commitments shall be terminated, reduced, or restricted on account of any further Draws; ii. declare the unpaid amount of the DIP Obligations to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Loan Parties; iii. charge interest at the default rate under the DIP Documents; iv. subject to the Carve-Out, declare the termination, restriction, or revocation of the ability of the Debtor to use Cash Collateral; or v. take any other action or exercise any other right or remedy (including, without limitation, with respect to the DIP Liens) permitted under the DIP Documents or applicable law. Any exercise of remedies by the DIP Lender shall be subject in all respects to the terms of the DIP Orders, including the following procedures (the "**Waiting Period Procedures**"): i. Upon the occurrence of a DIP Termination Event (as defined in the DIP Orders), of which written notice (including via email) of the occurrence of such DIP Termination Event is delivered by the DIP Lender to counsel for the Debtor, the U.S. Trustee, and counsel for the Committee (the "**Remedies Notice**" and such date, the "**DIP Termination Declaration Date**"), without further notice to, hearing of, application to,

		or order from the Bankruptcy Court, subject to the expiration of the Waiting Period (as defined below), the automatic stay provisions of section 362 of the Bankruptcy Code shall be vacated and modified to the extent necessary to permit the DIP Lender to, among other things, (a) deliver a Carve-Out Trigger Notice; (b) declare the termination of the DIP Commitments; (c) declare all DIP Obligations to be immediately due and payable; and (d) charge default interest at the default rate set forth in the DIP Term Sheet or the other DIP Documents, as applicable. ii. The Debtor may seek an emergency hearing solely during the period beginning on the DIP Termination Declaration Date and through the date that is five (5) business days after the DIP Termination Declaration Date (such period, the "**Waiting Period**"). If, notwithstanding the foregoing, a hearing cannot be scheduled prior to the expiration of the Waiting Period, the Waiting Period shall be deemed automatically extended until such time as the matter can be heard by the Bankruptcy Court. At any hearing regarding a Remedies Notice, the Court may only consider whether an Event of Default has occurred or is continuing (other than, for the avoidance of doubt, the occurrence of the Maturity Date under the DIP Term Sheet). During the Waiting Period, the Debtor shall continue to have the right to use DIP Collateral (including, without limitation, Cash Collateral) in accordance with the terms of the Interim Order and the Approved Budget (subject to the Permitted Variance), solely to pay any expenses necessary to (i) preserve the Debtor's going-concern value or (ii) contest, in good faith, the occurrence of the Event of Default (other than, for the avoidance of doubt, the occurrence of the Maturity Date under the DIP Term Sheet).
15.	***Conditions Precedent to Initial Draw***	• Entry of the Interim Order on or before five (5) business days after the Petition Date, and no order has been entered reversing, amending, staying, vacating, terminating or otherwise modifying in any manner the Interim Order. • Delivery of a thirteen (13) week cash flow budget containing line items of sufficient detail to reflect the consolidated operating cash flow of the Debtor for such period and in form and substance acceptable to the DIP Lender in its sole discretion (such budget, the "**Initial Budget**" and, as updated from time to time in accordance with this Term Sheet, the "**Budget**"), it being understood that the budget attached to **Exhibit A** of this Term Sheet is acceptable to the DIP Lender. • All out-of-pocket costs, fees and expenses required to be paid to the DIP Lender pursuant to this Term Sheet (including the Commitment Fee), the DIP Documents, or the DIP Orders shall have been paid in accordance with this Term Sheet or the applicable DIP Documents, provided that the Commitment Fee and the DIP Lender's legal fees and expenses incurred as of the date of the Initial Draw (other than the Work Fee, which shall

		have been paid before the Petition Date) shall be paid out of the proceeds of the Initial Draw. • The representations and warranties of the Loan Parties under this Term Sheet and any other DIP Documents shall be true and correct in all material respects (or in the case of representations and warranties with a "materiality" qualifier, true and correct in all respects). • No Material Adverse Effect (as defined below) shall have occurred and be continuing. • The Debtor shall be in compliance in all material respects with the applicable DIP Documents (including the DIP Orders). • No Event of Default shall have occurred and be continuing under this Term Sheet or the DIP Documents. • The Borrower shall have delivered to the DIP Lender a customary borrowing notice in form and substance acceptable to the DIP Lender.
16.	***Conditions Precedent to Other Draws***	• The DIP Documents shall contain conditions precedent as are usual and customary in loan documents for similar debtor-in-possession financings and other conditions precedent deemed by the DIP Lender appropriate to the specific transaction, including, without limitation, that each Other Draw shall be subject the following conditions: i. no DIP Order, or any provision thereof, shall have been reversed, amended, stayed, vacated, terminated or otherwise modified in any manner without the DIP Lender's prior written consent in its sole discretion, which shall not be unreasonably conditioned or delayed; ii. delivery of, as applicable, any Budget or Updated Budget, acceptable to the DIP Lender in its reasonable discretion; iii. no trustee, examiner, or receiver shall have been appointed or designated with respect to any Loan Party or any Loan Party's business, properties, or assets; iv. the representations and warranties of the Loan Parties under the DIP Documents shall be true and correct in all material respects (or in the case of representations and warranties with a "materiality" qualifier, true and correct in all respects); v. the Borrower shall have delivered to the DIP Lender a customary borrowing notice in accordance with the DIP Documents; vi. the Loan Parties shall be in compliance in all material respects with the DIP Orders; vii. no default or event of default shall have occurred and be continuing under the DIP Documents; viii. no order has been entered reversing, amending, staying, vacating, terminating or otherwise materially modifying in any manner any DIP Order or any provision thereof unless otherwise consented to in writing by the DIP Lender in its

		sole discretion, which consent shall not be unreasonably conditioned or delayed; ix. since the date hereof, other than the pending Chapter 11 Case, there shall not have occurred or there shall not exist any event, condition, or circumstance that, individually, or in the aggregate, (a) has had or would reasonably be expected to have a material adverse effect on the business, operations, properties, assets, performance or financial condition of the Loan Parties taken as a whole, (b) has resulted in, or would reasonably be expected to result in, a material adverse effect on the validity or enforceability of, or the rights, remedies or benefits available to the DIP Lender, or (c) has had or would reasonably be expected to have, a material adverse effect on the ability of the Loan Parties to perform their obligations under any DIP Document (each of the foregoing being a "**Material Adverse Effect**"); x. all reasonable and documented out-of-pocket costs, fees, expenses (including, without limitation, legal fees and expenses) set forth in the DIP Documents or otherwise required to be paid to the DIP Lender shall have been paid when due; xi. if the Debtor has entered into, or the Bankruptcy Court shall have otherwise approved, an Acceptable Stalking Horse Purchase Agreement,[4] such Acceptable Stalking Horse Purchase Agreement shall be in full force and effect and shall not have been terminated, cancelled, amended, modified, or supplemented without the DIP Lender's prior written consent, which shall not be unreasonably conditioned or delayed; and xii. a granting to the DIP Lender of DIP Claims and DIP Liens to secure all DIP Obligations pursuant to the applicable provisions in sections 364(c) and 364(d) of the Bankruptcy Code shall have occurred and been approved by the Bankruptcy Court.

[4] For the purposes hereof, the term "**Acceptable Stalking Horse Purchase Agreement**" means one or more stalking horse purchase agreements, which in the aggregate, are for all or substantially all of the Debtor's assets(s) that (a) is executed, effective, and binding on all parties thereto and (b) either (x) is approved by the DIP Lender in its discretion or (y) (1) would generate cash proceeds sufficient for the Payment in Full of the DIP Obligations (pursuant to a signed commitment to lend acceptable to the DIP Lender from a recognized lender or another source of funding acceptable to the DIP Lender) upon the closing date of such sale, (2) closes on or before December 31, 2026, and (3) requires, pursuant to an order of the Bankruptcy Court, the Payment in Full of the DIP Obligations as set forth in foregoing subclause (1). For the avoidance of doubt, that certain *Asset Purchase Agreement*, dated as of June [22], 2026, by and among Sangamo, Merope Acquisition Sub, LLC and Eli Lilly and Company, a copy of which is attached hereto as **Exhibit B** (the "**Merope APA**") and that certain *Asset Purchase Agreement*, dated as of June [22], 2026, by and among Sangamo and [A] Gene Therapies, Inc., a copy of which is attached hereto as **Exhibit C** (the "**Lumos APA**"), shall each be deemed to be an Acceptable Stalking Horse Purchase Agreement for purposes of this Term Sheet.

17.	***Documentation***	• Definitive financing documentation with respect to the DIP Loans, including, without limitation, this Term Sheet, the DIP Orders, a credit agreement (the "**DIP Credit Agreement**"), and all definitive guaranties, security agreements, and other documents executed pursuant hereto or thereto (collectively, the "**DIP Documents**"), shall be mutually agreed upon by the Loan Parties, and in form and substance acceptable to the DIP Lender.
18.	***Representations and Warranties***	• The DIP Documents shall contain representations and warranties with respect to the Loan Parties as are usual and customary in loan documents for similar debtor-in-possession financings and as acceptable to the DIP Lender and the Loan Parties, including without limitation, due organization and authorization, enforceability, financial condition, no material adverse changes or effects, title to properties, liens, litigation, payment of taxes, compliance with laws and regulations, employee benefit liabilities, environmental liabilities, and perfection and priority of liens securing the DIP Facility. • Each Loan Party represents and warrants that none of its assets and properties are subject to any valid, perfected liens, security interests or encumbrances as of the Petition Date, other than the Existing Liens set forth in **Exhibit D**. No liens, security interests, or encumbrances will be created on or after the Petition Date except, in each case, the Carve-Out and as expressly permitted under the DIP Documents.
19.	***Affirmative Covenants***	• The DIP Documents shall contain affirmative covenants as are usual and customary with respect to the Loan Parties in loan documents for similar debtor-in-possession financings and as are acceptable to the DIP Lender and the Loan Parties.
20.	***Negative Covenants***	• The DIP Documents shall contain negative covenants with respect to the Loan Parties as are usual and customary in loan documents for debtor-in-possession financings and as are acceptable to the DIP Lender and the Loan Parties.
21.	***DIP Budget / Variance Reporting***	• The Budget may from time to time (and, on the fifth Thursday following the prior Budget's approval and every fifth Thursday thereafter shall) be updated and provided to the DIP Lender, with such updated Budget extending the term thereof (the "**Updated Budget**") and the DIP Lender shall have the right to reject, in its reasonable discretion, each Updated Budget by providing the Borrower specific notice thereof within three (3) business days after the delivery by the Borrower of any such Updated Budget and, to the extent the DIP Lender (in its reasonable discretion) provides written notice rejecting the updates (or any amendments), the then existing Budget shall continue to constitute the applicable Budget until such time as an update or amendment is approved by the DIP Lender (in its reasonable discretion). In the event the DIP Lender does not provide written notice of its rejection of the proposed Updated Budget within such three-business-day period, such Updated Budget shall become effective as the Budget. • On a weekly basis after the delivery of the first Updated Budget, the Borrower shall deliver to the DIP Lender a variance report for the four-

		week period ending the prior Thursday comparing the difference/variance, expressed as a percentage (each, a "**Budget Variance**"), between actual net operating cash flow for such period to projected net operating cash flow for such period as set forth in the Budget on a cumulative four-week rolling basis (each a "**Measuring Period**") and explaining in reasonable detail all material variances, it being understood that any Net Operating Variance (as defined below) solely with respect to net operating cash flow that exceeds fifteen percent (15%) shall be material and shall constitute an Event of Default under the DIP Documents (each such report, a "**Variance Report**," which shall be in a form reasonably acceptable to the DIP Lender). • For purposes of each Measuring Period, the Borrower shall calculate: the numerical difference between "net operating cash flow" (such terms reflecting those line items illustrated in the Budget) for such period to "net operating cash flow" for such period as set forth in the Budget on a cumulative four-week rolling basis, and to the extent the difference is a positive number, the percentage such difference is of the cumulative budgeted amount for such period (the "**Net Operating Variance**"). For purposes herein, a "**Permitted Variance**" shall be limited to not greater than fifteen percent (15%) for budget variances with respect to the Net Operating Variance, each as set forth in the applicable Variance Report. For the avoidance of doubt, United States Trustee fees, professional fees of the DIP Lender (to the extent reimbursed) and the Loan Parties, and certain other administrative expenses to be agreed, shall not be included in the Net Operating Variance calculation.
22.	***DIP Orders***	• The Interim Order and the order approving, on a final basis, the DIP Facility (the "**Final Order**" and together with the Interim Order, the "**DIP Orders**"), which, in each case, shall be in form and substance acceptable to the DIP Lender in its sole discretion, shall, among other things, authorize and approve: i. the DIP Facility; ii. the making of the DIP Loans in accordance with the DIP Documents; iii. the Debtor's stipulations, in form and substance acceptable to the DIP Lender; iv. the granting of the DIP Claims and DIP Liens against, as applicable, the Loan Parties, their estates, and their assets in accordance with this Term Sheet and the DIP Documents with respect to the DIP Collateral; v. the payment of all fees and expenses (including the fees and expenses of outside counsel and any financial advisors) required to be paid to the DIP Lender as described in Section 25 of this Term Sheet (provided that the DIP Lender's legal fees and expenses incurred as of the date of the Initial Draw (other than the Work Fee) shall be paid out of the proceeds of the Initial Draw);

		vi. the payment of the Exit Fee as set forth in Section 9, which Exit Fee payment shall not be subject to reduction, setoff or recoupment for any reason, and shall be fully earned, and allowed upon entry of the DIP Orders as set forth above; and vii. the Debtor's waiver of (a) any right to surcharge the DIP Collateral pursuant to sections 105(a) and 506(c) of the Bankruptcy Code or otherwise, (b) the equities of the case exception under section 552(b) of the Bankruptcy Code, and (c) the equitable doctrine of marshaling and other similar doctrines, in each case, with respect to the DIP Collateral and the DIP Obligations.
23.	***Carve-Out***	• The DIP Liens and the DIP Claims shall be subject and subordinated only to the Carve-Out. • As used herein, the "**Carve-Out**" means the sum of (i) all fees required to be paid to the Clerk of the Court and to the Office of the United States Trustee under section 1930(a) of title 28 of the United States Code plus interest at the statutory rate; (ii) all reasonable fees and expenses up to $50,000 incurred by a trustee under section 726(b) of the Bankruptcy Code; (iii) to the extent allowed at any time, whether by interim order, procedural order, or otherwise, all unpaid fees and expenses incurred by Persons or firms retained by the Debtor pursuant to section 327, 328, or 363 of the Bankruptcy Code (collectively, the "**Debtor Professionals**") or the Committee, pursuant to section 328 or 1103 of the Bankruptcy Code (the "**Committee Professionals**" and, together with the Debtor Professionals, the "**Professional Persons**") at any time before or on the first business day following delivery by the DIP Lender of a Carve-Out Trigger Notice whether allowed by the Bankruptcy Court prior to or after delivery of a Carve-Out Trigger Notice, and subject to the fees and expenses set forth in the Budget (subject to the Permitted Variance), applicable transaction fees, and any other limits set forth in the DIP Orders; and (iv) allowed fees and expenses of Professional Persons in an aggregate amount not to exceed $2,500,000 incurred after the first business day following delivery by the DIP Lender of the Carve-Out Trigger Notice, to the extent allowed at any time, whether by interim order, procedural order, or otherwise (the amounts set forth in this clause (iv) being the "**Post-Carve-Out Trigger Notice Cap**" and, together with the amounts set forth in clause (iii) above, the "**Professional Fee Carve-Out Cap**"); provided that nothing herein shall be construed to impair the ability of any party to the DIP Documents to object to the fees, expenses, reimbursement or compensation described above on any grounds. The Debtor shall maintain a separate account not subject to control of the DIP Lender (the "**Carve-Out Account**") and may deposit cash weekly into the Carve-Out Account in an amount equal to the estimated fees of Professional Persons for the next unfunded week as set forth in the Budget. Immediately upon the delivery of a Carve-Out Trigger Notice (as defined below), and prior to the payment of any DIP Obligations, the Loan Parties shall be required to deposit into the Carve-Out Account cash (which disbursement shall be deemed approved under the DIP Documents) in an amount up to the difference between the Professional

		Fee Carve-Out Cap and the balance held in the Carve-Out Account as of the date on which a Carve-Out Trigger Notice is received by the Debtor (provided that if the available cash on hand at such time in not sufficient to fund the Professional Fee Carve-Out Cap in full, the Debtor shall be permitted to transfer additional funds to the Carve-Out Account at later dates as needed to fully fund the Carve-Out Account as and when such cash becomes available). The amounts in the Carve-Out Account shall be available only to satisfy allowed fees and expenses of the Professional Persons until such amounts are paid in full. The amount in the Carve-Out Account shall be reduced on a dollar-for-dollar basis for allowed fees and expenses of the Professional Person that are accrued and paid after the delivery of the Carve-Out Trigger Notice, and the Carve-Out Account shall not be replenished for such amounts so paid. The failure of the Carve-Out Account to satisfy in full the amount set forth in the Carve-Out shall not affect the priority of the Carve-Out. The DIP Lender shall have a reversionary interest, up to the Payment in Full of the DIP Obligations, in the funds held in the Carve-Out Accounts, if any, after all amounts included in the Carve-Out have been funded into the applicable Carve-Out Accounts and all allowed Professional Fees have been paid in full pursuant to a final order of the Bankruptcy Court. • For purposes of the foregoing, "**Carve-Out Trigger Notice**" shall mean a written notice delivered by mail, courier, or email (or other electronic means) by the DIP Lender or its counsel to the Debtor, their lead restructuring counsel, the United States Trustee, and counsel to the Committee, which notice may be delivered following the occurrence and during the continuation of an Event of Default and acceleration of the DIP Obligations under the DIP Facility, stating that the Post-Carve-Out Trigger Notice Cap has been invoked. • The Carve-Out shall not include, apply to, or be available for any Person or party in connection with any Restricted Use.
24.	***Events of Default***	• The DIP Documents shall contain events of default (collectively, "**Events of Default**") consistent with this Term Sheet and customary for debtor-in-possession financing facilities of this type, including, without limitation: i. non-payment, non-compliance with covenants set forth in the DIP Documents, judgments in excess of $1,000,000, impairment of security interest in the DIP Collateral and other customary defaults, subject to any applicable grace and/or cure periods to be agreed for non-payment defaults only and as are customary for transactions of this nature; ii. the entry of the Interim Order shall have not occurred on or before the date that is five (5) business days after the Petition Date, or the Interim Order or any provision thereof shall have been stayed, amended, modified, reversed, vacated, or in any way altered, in each case, to the extent not consented to by the DIP Lender; iii. the entry of the Final Order shall have not occurred on or before the date that is thirty-five (35) days after the Petition

			Date, or the Final Order or any provision thereof shall have been stayed, amended, modified, reversed, vacated, or in any way altered, in each case, to the extent not consented to by the DIP Lender;
		iv.	an Acceptable Stalking Horse Purchase Agreement is cancelled, terminated, amended, modified, or supplemented without the DIP Lender's consent, which shall not be unreasonably conditioned or delayed;
		v.	the dismissal of the Chapter 11 Case or the conversion of the Chapter 11 Case to a case under chapter 7 of the Bankruptcy Code;
		vi.	non-compliance, subject to any applicable grace and/or cure periods, by any Loan Party with the terms of the DIP Orders;
		vii.	the entry of an order appointing a receiver, trustee, responsible officer, or an examiner having expanded powers (beyond those set forth under sections 1106(a)(3) and (4) of the Bankruptcy Code) under section 1104 of the Bankruptcy Code (other than a fee examiner) in the Chapter 11 Case, or the Bankruptcy Court or other court shall have entered an order providing for such appointment;
		viii.	the entry of an order in the Chapter 11 Case granting relief from any stay or proceeding (including, without limitation, the automatic stay) so as to allow a third party to proceed with foreclosure or other enforcement against any assets of the Loan Parties the aggregate fair market value of which exceeds $1,000,000;
		ix.	the entry of an order (a) surcharging any of the DIP Collateral under sections 105, 506(c), or any other section of the Bankruptcy Code, (b) applying the equities of the case exception under section 552(b) of the Bankruptcy Code, (c) allowing any administrative-expense claim having priority over or ranking in parity with the DIP Claims or the rights of the DIP Lender (subject to the Carve-Out), or (d) otherwise adversely impacting the DIP Lender's liens, claims, or priority in the DIP Collateral as set forth in this Term Sheet or the DIP Documents;
		x.	any direct or indirect action by any Debtor to (a) challenge the rights and remedies of the DIP Lender under the DIP Facility in the Chapter 11 Case or acting in a manner inconsistent with the DIP Documents or (b) avoid or require disgorgement by the DIP Lender of any amounts received in respect of the obligations under the DIP Facility;
		xi.	entry of an order without the express written consent of the DIP Lender obtaining additional financing from a party other than the DIP Lender under section 364 of the Bankruptcy Code except if such financing provides for the Payment in Full of the DIP Obligations and the DIP Obligations are Paid

			in Full upon the closing or initial funding under such financing;
		xii.	the making of any material payments in respect of prepetition obligations after entry of the Interim Order other than (a) as permitted by the DIP Orders, (b) as permitted by any "first day" or "second day" orders of the Bankruptcy Court acceptable to the DIP Lender, (c) as permitted by any other order of the Bankruptcy Court acceptable to the DIP Lender, (d) as permitted under the DIP Documents in accordance with the Budget (subject to the Permitted Variance), or (e) as otherwise agreed to by the DIP Lender;
		xiii.	entry of an order by the Bankruptcy Court terminating or modifying the exclusive right of any Debtor to file or solicit a chapter 11 plan pursuant to section 1121 of the Bankruptcy Code, without the prior written consent of the DIP Lender, which shall not be unreasonably conditioned or delayed;
		xiv.	any Loan Party shall, directly or indirectly, seek to, or support any other Person's motion to, (a) disallow in whole or in part the DIP Obligations, (b) challenge the validity and enforceability of the DIP Liens or the DIP Claims, or (c) contest any provision of any DIP Document having an adverse effect on the DIP Lender;
		xv.	any Debtor files a Plan that is not in form and substance acceptable to the DIP Lender, it being understood that a Plan will be acceptable to the DIP Lender if it provides for the Payment in Full of the DIP Obligations on or before the effective date of such Plan pursuant to a signed commitment to lend acceptable to the DIP Lender from a recognized lender, balance sheet cash, or another source of funding acceptable to the DIP Lender sufficient to allow for the indefeasible Payment in Full of the outstanding DIP Obligations;
		xvi.	the occurrence and continuance of a Material Adverse Effect;
		xvii.	any Loan Party files a motion seeking to settle a controversy or claim that could be reasonably expected to have a material adverse effect on the DIP Collateral without the prior written consent of the DIP Lender in its sole discretion, which shall not be unreasonably conditioned or delayed;
		xviii.	the Debtor shall fail to execute and deliver to the DIP Lender any agreement, financing statement, trademark filing, copyright filing, notices of lien or similar instruments or other documents that the DIP Lender may request from time to time to more fully evidence, confirm, validate, perfect, preserve and enforce the DIP Liens created in favor of the DIP Lender, subject to the time periods and terms set forth in the applicable DIP Documents; or

		xix. other than pursuant to an Acceptable Stalking Horse Purchase Agreement (or a purchase agreement that is not an Acceptable Stalking Horse Purchase Agreement provided that such purchase agreement would generate cash proceeds sufficient for the Payment in Full of the DIP Obligations (pursuant to a signed commitment to lend acceptable to the DIP Lender from a recognized lender or another source of funding acceptable to the DIP Lender) upon the closing date of such sale), any Debtor files a motion for the approval of a sale of the DIP Collateral or any portion thereof, pursuant to section 363 of the Bankruptcy Code or otherwise, which proposed sale (including, for the avoidance of doubt, any order approving such sale) is not acceptable to the DIP Lender in its sole discretion.
25.	***Indemnification and Reimbursement of Expenses***	• The DIP Documents (including the Interim Order) shall contain customary indemnification provisions for the benefit of the DIP Lender, and its related parties (the "**Indemnitees**"), including, without limitation, indemnification against losses, claims, damages, liabilities or expenses incurred in respect of the financing contemplated by the DIP Documents or the use or the proposed use of proceeds thereof. • Subject to the DIP Documents, all reasonable, documented out-of-pocket accrued and unpaid fees, costs, disbursements, and expenses of the DIP Lender, including the documented fees and expenses of Norton Rose Fulbright US LLP and Ice Miller LLP, as co-counsel to the DIP Lender, incurred in connection with the DIP Facility and the Chapter 11 Case shall be paid on a current basis.
26.	***Release***	• The DIP Orders shall include a customary release of the DIP Lender and its representatives, in their respective capacities as such, with respect to any and all claims and causes of action arising from or related to the Chapter 11 Case, the DIP Facility, and the DIP Documents.
27.	***Waivers***	• The DIP Orders shall include terms and conditions customary for interim and final DIP financing orders, as applicable, and shall be acceptable to the DIP Lender, in its sole discretion, including, without limitation, waiver of the automatic stay, credit-bidding rights, "no marshaling" provisions and other similar doctrines, and waivers of the "equities of the case" exception and the imposition of costs or right to surcharge the DIP Collateral pursuant to sections 105(a) and 506(c) of the Bankruptcy Code or otherwise, in each case, to the extent applicable.
28.	***Counterparts and Electronic Transmission***	• This Term Sheet may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which when so executed and delivered, shall be deemed an original, and all of which, when taken together, shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Term Sheet by facsimile, "PDF" or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Term Sheet.

29.	***Governing Law***	• The laws of the State of New York (except as governed by the Bankruptcy Code) shall govern this Term Sheet. • The Debtor and the DIP Lender shall submit to the exclusive jurisdiction of the Bankruptcy Court and shall waive any right to trial by jury.

[*Signatures on following pages.*]

IN WITNESS WHEREOF, the parties hereto have caused this Term Sheet to be executed as of the date first set forth above.

SANGAMO THERAPEUTICS, INC.,
as Borrower

By: _____
Name: Dr. Alexander Macrae, M.B., Ch.B., Ph.D.
Title: Chief Executive Officer

IN WITNESS WHEREOF, the parties hereto have caused this Term Sheet to be executed as of the date first set forth above.

SANGAMO THERAPEUTICS UK LTD.,
as Guarantor

By: _____
Name: Dr. Alexander Macrae, M.B., Ch.B., Ph.D
Title: Chief Executive Officer

SANGAMO THERAPEUTICS FRANCE SAS,
as Guarantor

By: _____
Name: Dr. Alexander Macrae, M.B., Ch.B., Ph.D
Title: Chief Executive Officer

CEREGENE, INC.,
as Guarantor

By: _____
Name: Dr. Alexander Macrae, M.B., Ch.B., Ph.D
Title: Chief Executive Officer

NORTHRIDGE ATM, LLC,
as DIP Lender

By: _____ .
Name: Vikas Tandon
Title: Manager

Exhibit A

Initial Budget

Exhibit B

Merope APA

Exhibit C

Lumos APA

Exhibit D

Existing Liens

For purposes of this Term Sheet, the term "**Existing Liens**" means the following:

[TO COME]

Exhibit 2

Initial DIP Budget

SGMO - Preliminary DIP Budget

$ in 000's

	Filing															
Week	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	
Week Ending	**6/26**	**7/3**	**7/10**	**7/17**	**7/24**	**7/31**	**8/7**	**8/14**	**8/21**	**8/28**	**9/4**	**9/11**	**9/18**	**9/25**	**10/2**	**Total**
Receipts	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operating Disbursements																
Payroll & Benefits	$1,756	$500	$797	$106	$799	$193	$988	$106	$799	$131	$975	$207	$542	$28	$1,133	$7,306
Rent & Facilities	$39	$640	$18	$42	$41	$39	$660	$20	$33	$32	$265	$20	$33	$32	$34	$1,909
Program Costs	$312	$304	$197	$394	$382	$368	$470	$186	$297	$289	$457	$158	$258	$343	$304	$4,406
International Operations	–	$425	–	–	–	–	$250	–	–	–	$300	–	–	–	–	$975
Other Operating Disbursements	$91	$88	$48	$133	$136	$113	$152	$63	$98	$527	$187	$63	$98	$92	$211	$2,010
Total Operating Disbursements	$2,198	$1,957	$1,060	$676	$1,358	$713	$2,521	$375	$1,227	$979	$2,185	$448	$931	$495	$1,683	$16,606
Operating Cash Flow	**($2,198)**	**($1,957)**	**($1,060)**	**($676)**	**($1,358)**	**($713)**	**($2,521)**	**($375)**	**($1,227)**	**($979)**	**($2,185)**	**($448)**	**($931)**	**($495)**	**($1,683)**	**($16,606)**
Restructuring Disbursements																
Pro Fees	$1,275	$675	$830	$830	$830	$830	$850	$735	$735	$735	$810	$735	$735	$735	$810	$10,875
US Trustee Fees	–	–	–	–	–	–	–	–	–	–	–	–	–	–	$303	$303
DIP Interest & Fees	$600	–	–	–	–	$105	–	–	–	$180	–	–	–	$300	–	$585
Total Restructuring Disbursements	$1,875	$675	$830	$830	$830	$935	$850	$735	$735	$915	$810	$735	$735	$1,035	$1,113	$11,763
Net Cash Flow	**($4,073)**	**($2,632)**	**($1,890)**	**($1,506)**	**($2,188)**	**($1,648)**	**($3,371)**	**($1,110)**	**($1,962)**	**($1,894)**	**($2,995)**	**($1,183)**	**($1,666)**	**($1,530)**	**($2,795)**	**($28,369)**
Beginning Cash Balance	$4,996	$11,423	$8,791	$6,902	$5,396	$3,208	$9,060	$5,689	$4,579	$2,617	$7,723	$4,728	$3,545	$6,879	$5,349	$923
+/(-) Net Cash Flow	($4,073)	($2,632)	($1,890)	($1,506)	($2,188)	($1,648)	($3,371)	($1,110)	($1,962)	($1,894)	($2,995)	($1,183)	($1,666)	($1,530)	($2,795)	($28,369)
(+) DIP Draws	$10,500	–	–	–	–	$7,500	–	–	–	$7,000	–	–	$5,000	–	–	$30,000
Ending Cash Balance	**$11,423**	**$8,791**	**$6,902**	**$5,396**	**$3,208**	**$9,060**	**$5,689**	**$4,579**	**$2,617**	**$7,723**	**$4,728**	**$3,545**	**$6,879**	**$5,349**	**$2,554**	**$2,554**

DIP Roll-Forward																
Beginning balance	–	$10,500	$10,500	$10,500	$10,500	$10,500	$18,000	$18,000	$18,000	$18,000	$25,000	$25,000	$25,000	$30,000	$30,000	–
(+) DIP Draws	$10,500	–	–	–	–	$7,500	–	–	–	$7,000	–	–	$5,000	–	–	$30,000
Ending Balance	**$10,500**	**$10,500**	**$10,500**	**$10,500**	**$10,500**	**$18,000**	**$18,000**	**$18,000**	**$18,000**	**$25,000**	**$25,000**	**$25,000**	**$30,000**	**$30,000**	**$30,000**	**$30,000**
(+) Carve-out	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500
(-) Ending Cash Balance	($11,423)	($8,791)	($6,902)	($5,396)	($3,208)	($9,060)	($5,689)	($4,579)	($2,617)	($7,723)	($4,728)	($3,545)	($6,879)	($5,349)	($2,554)	($2,554)
Adjusted Ending Balance	**$1,577**	**$4,209**	**$6,098**	**$7,604**	**$9,792**	**$11,440**	**$14,811**	**$15,921**	**$17,883**	**$19,777**	**$22,772**	**$23,955**	**$25,621**	**$27,151**	**$29,946**	**$29,946**

Notes:

- Cash flow budget excludes investment banker Business Combination and/or Restructuring Transaction Fee(s). Any such fee(s) would be payable upon the closing of the applicable transaction(s), and will depend on the timing, nature, and size of the applicable transactio

- Carve-out reflects the maximum amount agreed upon in the DIP Term Sheet.

- The cash flow forecast excludes other potential disbursements tied to transaction(s), including potential DIP exit fee payments, KEIP / KERP payouts, and winddown budget.

- The Company is currently in discussions to sell certain core assets, which is expected to close during the budgeted period and generate net proceeds sufficient for repayment of the DIP financing loan, PTO payout, and transaction(s) related / one-time disbursements.

EXHIBIT B

Interim Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
SANGAMO THERAPEUTICS, INC.	)	Case No. 26-10989 (CTG)
Debtor.[1]	)	**Re: Docket Nos. 10, 11 & 12**

INTERIM ORDER (A) AUTHORIZING THE DEBTOR TO OBTAIN POSTPETITION FINANCING, (B) GRANTING LIENS AND PROVIDING CLAIMS WITH SUPERPRIORITY ADMINISTRATIVE EXPENSE STATUS, (C) MODIFYING AUTOMATIC STAY, (D) SCHEDULING FINAL HEARING, AND (E) GRANTING RELATED RELIEF

Upon the motion (the "**Motion**") of the debtor and debtor-in-possession (the "**Debtor**") in the above-captioned chapter 11 case (the "**Chapter 11 Case**"), pursuant to sections 105, 361, 362, 363, 364, 503, 506, and 507 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the "**Bankruptcy Code**"), Rules 2002, 4001, 6003, 6004, and 9014 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), and Rule 2002-1, 4001-2, and 9013-1 of the Local Rules of the United States Bankruptcy Court for the District of Delaware (the "**Local Rules**") promulgated by the United States Bankruptcy Court for the District of Delaware (the "**Court**"), seeking entry of an interim order (this "**Interim Order**") and a Final Order (as defined below), that, among other things:

(a) authorizes the Debtor to obtain postpetition financing on a senior secured superpriority basis, on the terms and conditions set forth herein and the term sheet attached as **Exhibit 1** hereto (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time in accordance with the terms thereof, the "**DIP Term Sheet**"),[2] by and among the Debtor and Northridge ATM, LLC ("**Northridge**") and its subsidiaries, affiliates, designees, and assignees

[1] The last four digits of the Debtor's federal tax identification number are 9556. The Debtor's principal office is located at 501 Canal Boulevard, Suite A100, Richmond, CA 94084.

[2] Capitalized terms used but not defined in this Interim Order shall have the meanings ascribed to such terms in the DIP Term Sheet.

(together with Northridge, the "**DIP Lender**"), comprising a senior secured superpriority debtor-in-possession term loan facility in an aggregate principal amount of up to $30,000,000, *plus* applicable fees and premiums (the "**DIP Facility**"; and the commitments thereunder, the "**DIP Commitments**" and, the term loans extended thereunder, the "**DIP Loans**"), pursuant to which (i) up to $10,500,000 of the DIP Commitments (the "**Interim DIP Loans**") shall be available upon the entry of the Interim Order and (ii) up to the full amount of the DIP Commitments *less* amount(s) drawn under the Interim DIP Loans (the "**Subsequent DIP Loans**" and, together with the Interim DIP Loans, the "**DIP Borrowings**" and, each, a "**DIP Borrowing**") shall be available upon the entry of the Final Order, in each case solely upon compliance with the Interim Order or Final Order (as applicable), the Budget (as defined below) (subject to the Permitted Variance (as defined below)), the DIP Term Sheet, and, as applicable, the credit agreement for the DIP Facility (as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof, the "**DIP Credit Agreement**" and, together with any ancillary, collateral, or related documents and agreements, as the case may be, and the DIP Orders, each as amended, restated, supplemented, or otherwise modified from time to time in accordance with the terms thereof, the "**DIP Documents**");

(b) authorizes the Debtor, on an interim basis, to: (i) execute, deliver, and perform under the DIP Term Sheet and the other DIP Documents, as applicable, and to perform all such other and further acts as may be required in connection therewith; (ii) incur all loans, advances, extensions of credit and financial accommodations, and pay all principal, interest, premiums or similar amounts, fees (including, without limitation, the Commitment Fee, the Exit Fee, and the Work Fee (in each case in accordance with and as defined in the DIP Term Sheet and this Interim Order)), costs, expenses, charges, indemnification and reimbursement obligations (whether contingent or absolute), and all other obligations or amounts, whether or not such obligations arose before or after the Petition Date (as defined below), whenever the same shall become due, whether at stated maturity, by mandatory prepayment, declaration, acceleration, or otherwise, in each case, in accordance with the DIP Term Sheet and this Interim Order (collectively, the "**DIP Obligations**"); and (iii) perform such other and further acts as may be necessary, required, or desirable to implement and effectuate the terms of this Interim Order, the DIP Term Sheet, the other DIP Documents, and the transactions contemplated thereunder;

(c) authorizes the Debtor, on an interim basis, to grant to the DIP Lender the DIP Liens (as defined below) in all DIP Collateral (as defined below), as set forth in this Interim Order, subject to the Carve Out (as defined below), and subject to the relative priorities set forth in this Interim Order;

(d) authorizes the Debtor, on an interim basis, to grant to the DIP Lender, allowed superpriority administrative expense claims pursuant to section 364(c)(1) of the Bankruptcy Code, as well as liens pursuant to sections 364(c)(2) and 364(c)(3) of the Bankruptcy Code, as further described herein, on all DIP Collateral and all

proceeds thereof (including, without limitation, Avoidance Action Assets (as defined below), Cash Collateral (as defined below), all cash and cash equivalents and other amounts from time to time on deposit or maintained by the Debtor in any deposit or securities account or accounts as of the Petition Date), against the Debtor in respect of all DIP Obligations, subject to the Carve Out, as set forth in this Interim Order;

(e) authorizes the Debtor, on an interim basis, to use the proceeds of the DIP Facility and the DIP Collateral (including Cash Collateral), in accordance with the terms and conditions set forth in this Interim Order, the DIP Term Sheet, and the other DIP Documents, and strictly in accordance with the Budget, subject to any variances expressly permitted under the DIP Term Sheet (the "**Permitted Variance**");

(f) modifies the automatic stay imposed by section 362 of the Bankruptcy Code or otherwise, to the extent necessary, required or desirable to implement and effectuate the terms and provisions of this Interim Order and the DIP Term Sheet, as set forth herein or therein;

(g) waives any applicable stay (including under Bankruptcy Rule 6004) with respect to the effectiveness and enforceability of this Interim Order and provides for the immediate effectiveness of this Interim Order;

(h) approves certain stipulations, waivers, and releases by the Debtor (and its applicable related parties and representatives) with respect to, *inter alia*, the DIP Lender, the DIP Term Sheet, the DIP Liens, and the DIP Obligations;

(i) subject to entry of the Final Order, approves the Debtor's waiver of the right to surcharge the DIP Collateral as to the DIP Lender pursuant to section 506(c) of the Bankruptcy Code or otherwise;

(j) subject to entry of the Final Order, approves the Debtor's waiver of the equitable doctrine of "marshaling" and other similar doctrines with respect to the DIP Collateral;

(k) (i) approves, on a final basis, the Commitment Fee, the Initial Exit Fee, and the Work Fee, in this Interim Order, and further (ii) authorizes and directs the Debtor to make non-refundable, irrevocable, and final payments on account of the principal, interest, fees (including, the Commitment Fee, and the Work Fee, in each case, in accordance with the DIP Term Sheet, and the Initial Exit Fee as set forth herein), expenses and other amounts payable under the DIP Term Sheet, each as applicable, as such become due and payable, all to the extent provided in, and in accordance with, this Interim Order and the DIP Term Sheet; and

(l) schedules a final hearing (the "**Final Hearing**") on the Motion to consider entry of a final order (the "**Final Order**") authorizing the relief requested in the Motion on a final basis and approving the form of notice with respect to such Final Hearing,

which order shall be in form and substance and on terms and conditions acceptable in all respects to the DIP Lender.

The Court, having considered the Motion, the DIP Term Sheet, the exhibits attached thereto, the declarations filed in support thereof, the evidence submitted, and the arguments proffered or adduced at the interim hearing held before this Court on June 24, 2026 (the "**Interim Hearing**"), and upon the record of the Chapter 11 Case; and all objections, if any, to the relief requested in the Motion having been withdrawn, resolved, or overruled by the Court; and the Court having determined that the legal and factual bases set forth in the Motion and at the Interim Hearing established just cause for the relief granted herein; and it appearing to the Court that granting the interim relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtor and its estate, and otherwise is fair and reasonable, and represents a sound exercise of the Debtor's business judgment, and is necessary for the continued operation of the Debtor's business; and after due deliberation and consideration, and for good and sufficient cause appearing therefor:

THE COURT HEREBY MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:[3]

A. *Petition Date*. On June 23, 2026 (the "**Petition Date**"), the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in this Court commencing the Chapter 11 Case.

B. *Debtor-in-Possession*. The Debtor continues to manage and operate its business and properties as debtor-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. As of the date hereof, no trustee or examiner has been appointed in the Chapter 11 Case.

[3] The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent that any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

C. *Committee Formation*. As of the date hereof, the Office of the United States Trustee (the "**U.S. Trustee**") has not appointed an official statutory committee of unsecured creditors in the Chapter 11 Case pursuant to section 1102 of the Bankruptcy Code (the "**Committee**").

D. *Jurisdiction and Venue*. This Court has jurisdiction over the Chapter 11 Case, the Motion, and the parties and property affected hereby pursuant to 28 U.S.C. § 1334. This Court's consideration of the Motion constitutes a core proceeding pursuant to 28 U.S.C. § 157(b)(2). The Court may enter a final order consistent with Article III of the United States Constitution. Venue for the Chapter 11 Case and the proceedings on the Motion is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory and legal predicates for the relief set forth herein are sections 105, 361, 362, 363, 364, 503, 506, and 507 of the Bankruptcy Code, Bankruptcy Rules 2002, 4001, 6003, 6004, 9013 and 9014, and Local Rules 2002-1, 4001-2 and 9013-1.

E. *Debtor's Stipulations, Releases and Acknowledgements Regarding DIP Lender and the DIP Facility*. In requesting the DIP Facility, and in exchange for and as a material inducement to the DIP Lender to provide the DIP Facility, the Debtor, for itself, its estate, and all representatives of its estate, admits, stipulates, acknowledges and agrees as follows:

(i) No Control. The DIP Lender does not control the Debtor or its properties or operations, does not have authority to determine the manner in which the Debtor's operations are conducted, and is not a control person or insider (as defined in the Bankruptcy Code) of the Debtor or any of its affiliates by virtue of any of the actions taken in connection with this Interim Order, the DIP Facility, the DIP Liens, the DIP Superpriority Claims (as defined below), the DIP Collateral, the DIP Obligations, the DIP Term Sheet, or the transactions contemplated thereunder or hereunder.

(ii) No Claims, Defenses, or Causes of Action. As of the date hereof, there exist no claims, defenses or any other Cause of Action[4] of any nature or description whatsoever

[4] The term "***Cause of Action***" means any action, cause of action, claim, counter-claim, cross-claim, defense, account, objection, challenge, offset, setoff, demand, liability, responsibility, dispute, remedy, indebtedness, obligation, guaranty, right, interest, indemnity, assertion, allegation, suit, controversy, proceeding, loss, damage, injury, reimbursement obligation, attorneys' fees, costs, expenses or judgments of every type, whether known or

that may be asserted by the Debtor, its estate, predecessors, successors and assigns, against the DIP Lender or any of its current, former and future affiliates, subsidiaries, funds or managed accounts, officers, directors, managers, members, equity holders, partners, principals, employees, representatives, agents, attorneys, advisors, consultants and other professionals, and the predecessors in interest, successors and assigns of each of the foregoing (collectively, the "**Representatives**"), in their capacities as such, in each case, arising from, in connection with, or related to this Interim Order, the DIP Facility, the DIP Liens, the DIP Superpriority Claims, the DIP Collateral, the DIP Obligations, the DIP Term Sheet, or the transactions contemplated thereunder or hereunder.

(iii) Releases. Effective as of the date of entry of the Final Order, the Debtor, on behalf of itself and its estate, and each Guarantor to the maximum extent permitted by applicable law, hereby absolutely, unconditionally and irrevocably releases and forever discharges and acquits the DIP Lender and its Representatives (in their capacities as such) of and from any and all Causes of Action that the Debtor, its estate, and/or each Guarantor, and each of their respective estates, predecessors, successors and assigns at any time had, now have or that their respective successors and assigns may have against the DIP Lender and its Representatives for or by reason of any act, omission, matter, cause or thing whatsoever arising at any time prior to the date of this Interim Order, in each case, arising under, in connection with or related to this Interim Order, the DIP Facility, the DIP Liens, the DIP Superpriority Claims, the DIP Collateral, the DIP Obligations, the DIP Term Sheet or the transactions contemplated thereunder or hereunder, including, without limitation, (a) any claim or Cause of Action seeking avoidance, whether under chapter 5 of the Bankruptcy Code, any applicable Uniform Voidable Transfer Act, Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act, or other similar state or federal statute, common law, or otherwise ("**Avoidance Actions**"), (b) any so-called "lender liability" or equitable subordination claims or defenses, (c) any claims or Causes of Action arising under the Bankruptcy Code, (d) any claims or Causes of Action seeking reduction, setoff, offset, recoupment, recharacterization, subordination (whether equitable, contractual or otherwise), reclassification, disgorgement, disallowance, impairment, marshaling, surcharge, recovery or any other challenge arising under the Bankruptcy Code or applicable non-bankruptcy law with respect to this Interim Order, the DIP Facility, the DIP Liens, the DIP Superpriority Claims, the DIP Collateral, the DIP Obligations, the DIP Term Sheet or the transactions contemplated thereunder or hereunder, or (e) any claim or Cause of Action with respect to the validity, enforceability, extent, amount, perfection or priority of the DIP Facility, the DIP Liens, the DIP Superpriority Claims, the DIP Collateral, the DIP Obligations, the DIP Term Sheet or the transactions contemplated thereunder or hereunder; *provided*, *however*, that nothing contained in this subparagraph (iii) shall relieve the DIP Lender from fulfilling any of its commitments under, and in accordance with, the DIP Term Sheet.

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unknown, asserted or unasserted, suspected or unsuspected, foreseen or unforeseen, accrued or unaccrued, liquidated or unliquidated, fixed or contingent, pending or threatened, whether assertable directly or derivatively, including, without limitation, all legal and equitable theories of recovery, arising under the Bankruptcy Code or applicable non-bankruptcy law, whether local, state or federal U.S. or foreign common law, statute, law, rule, regulation, or by contract, of every nature or description whatsoever.

(iv) Cash Collateral. Any and all of the Debtor's cash, whether existing as of the entry of this Interim Order or thereafter, wherever located (including, without limitation, all cash, cash equivalents and other amounts on deposit or maintained by the Debtor in any accounts with any depositary institution), whether as DIP Collateral, arising from the sale or other disposition of DIP Collateral, or proceeds of other DIP Collateral, or cash, rents, income, offspring, products, proceeds or profits generated from the DIP Collateral or the DIP Loans, constitutes "cash collateral" within the meaning of section 363(a) of the Bankruptcy Code (the "**Cash Collateral**") of the DIP Lender.

F. *Good Cause*. Good cause has been shown for the entry of this Interim Order, and the entry of this Interim Order is necessary to preserve and maintain the value of the Debtor's estate, to run a value-maximizing sale process for the Debtor's assets for the benefit of all its stakeholders, and to avoid immediate and irreparable harm to the Debtor, its estate, and its creditors. The relief requested in the Motion is fair and reasonable and in the best interest of the Debtor and its estate, and essential for the continued operation of the Debtor's business and the preservation of the value of the Debtor's assets.

G. *Need for Postpetition Financing and Use of Cash Collateral*. The Debtor has an immediate and critical need to obtain postpetition financing pursuant to the DIP Facility and use Cash Collateral on an interim basis, in order to, among other things, (i) pay the fees, costs, and expenses incurred in connection with the Chapter 11 Case; (ii) fund any obligations benefiting from the Carve Out; (iii) continue the orderly operation of its business for the benefit of all its stakeholders; (iv) maintain business relationships with customers, vendors, and suppliers; (v) make payroll for its employees; and (vi) satisfy other working capital and operational needs, in each case, in accordance with and subject to the terms and conditions of this Interim Order and the DIP Term Sheet, including the Budget (subject to the Permitted Variance). The Debtor's access to sufficient working capital and liquidity through the incurrence of loans and other financial accommodations under the DIP Facility and the use of Cash Collateral is necessary and vital to, among other things, preserve and maximize the value of the Debtor and its estate. The Debtor and

its estate will be immediately and irreparably harmed if the financing under the DIP Facility is not obtained pursuant to the terms of this Interim Order and, as applicable, the DIP Term Sheet. Entry of this Interim Order is necessary and appropriate to avoid such harm to the Debtor, its estate, and other parties in interest.

H. *No Credit Available on More Favorable Terms*. The Debtor is unable to obtain financing or other financial accommodations from sources other than the DIP Lender on terms more favorable than those provided under the DIP Facility, the DIP Term Sheet and this Interim Order. The Debtor is unable to obtain adequate unsecured credit allowable as an administrative expense under section 503(b)(1) of the Bankruptcy Code. The Debtor is also unable to obtain adequate secured credit for money borrowed under sections 364(c)(1), 364(c)(2) and 364(c)(3) of the Bankruptcy Code without, among other things, the Debtor granting (i) the DIP Liens on all DIP Collateral, (ii) the DIP Superpriority Claims, and (iii) certain rights, benefits and protections to the DIP Lender, in each case, upon the terms and conditions set forth in this Interim Order and in the DIP Term Sheet. After considering all available alternatives, the Debtor has properly concluded, in the exercise of its sound business judgment, that the DIP Facility represents the best source of debtor-in-possession financing available at this time and is in the best interests of all stakeholders.

I. *Use of DIP Facility Proceeds and Cash Collateral*. As a condition to providing the DIP Facility and its consent to the use of Cash Collateral, the DIP Lender required, and the Debtor has agreed, that all proceeds of the DIP Loans and all Cash Collateral shall be used and/or applied solely for the purposes and in the amounts expressly permitted in the Budget (subject to the Permitted Variance), including, without limitation, (i) to pay the costs of administration of the Chapter 11 Case, (ii) for general corporate and working capital purposes, and (iii) to pay

professional fees and expenses in accordance with this Interim Order, in each case, in accordance with and subject to the terms and conditions of this Interim Order and the DIP Term Sheet, including the Budget (subject to the Permitted Variance).

J. *Limitation on Charging Expenses against Collateral*. As a material inducement to the DIP Lender's agreement to provide the DIP Facility and that its liens and superpriority claims shall be subject to payment of the Carve Out, subject to entry of the Final Order, the DIP Lender is entitled to (i) a waiver of the equitable doctrine of "marshaling" or any similar doctrine with respect to the DIP Collateral and the DIP Obligations, and (ii) a waiver of the provisions of section 506(c) of the Bankruptcy Code or any similar applicable law with respect to the DIP Collateral.

K. *Proper Exercise of Business Judgment*. Based on the Motion, the evidence submitted, and the record presented to the Court at the Interim Hearing, the terms of the DIP Facility (i) were negotiated in good faith and at arm's length among the Debtor, the DIP Lender, and their respective advisors, (ii) are fair, reasonable, and the best available to the Debtor under the circumstances, (iii) reflect the Debtor's exercise of prudent business judgment consistent with its fiduciary duties, and (iv) are supported by reasonably equivalent value and fair consideration. Absent access to the DIP Facility upon the terms set forth in this Interim Order, the DIP Term Sheet, including the Budget (subject to the Permitted Variance), the Debtor, its estate, its creditors, and other parties-in-interest will be seriously, immediately, and irreparably harmed.

L. *Good Faith*. The DIP Facility and the terms of the DIP Term Sheet and this Interim Order have been negotiated in good faith and at arm's length among the Debtor, the DIP Lender, and their respective advisors and Representatives, and all of the Debtor's obligations and indebtedness arising under, in respect of, or in connection with, the DIP Facility, the DIP Term Sheet and this Interim Order, including, without limitation, all loans, advances, extensions of credit

and other financial accommodations made and guarantees issued pursuant to the DIP Term Sheet, shall each be deemed to have been extended by the DIP Lender and each of its affiliates, in good faith, as that term is used in section 364(e) of the Bankruptcy Code, and in express reliance upon the protections offered by section 364(e) of the Bankruptcy Code, and each of the claims, liens and security interests, rights, remedies, benefits and protections granted to the DIP Lender (and each of the successors and assigns thereof) pursuant to this Interim Order and the DIP Term Sheet (including, without limitation, all DIP Obligations, DIP Liens, and DIP Superpriority Claims), shall be entitled to the protection of section 364(e) of the Bankruptcy Code to the fullest extent available under applicable law.

M. *Initial DIP Budget*. The Debtor has prepared and delivered to the DIP Lender and its advisors an initial budget, a copy of which is attached to this Interim Order as **Exhibit 2** hereto (together with any additional line-item or other detail and supplements as may be provided pursuant to the terms of the DIP Term Sheet and the other DIP Documents, the "**Initial DIP Budget**"). The Initial DIP Budget reflects, among other things, for the 13-week period commencing on or around the week of entry of this Interim Order, the Debtor's projected operating receipts, operating disbursements, non-operating disbursements, net operating cash flow, and liquidity for each one-week period covered thereby. The Initial DIP Budget may be modified, amended, extended, and updated from time to time in accordance with the DIP Term Sheet, and such modified, amended, extended, and/or updated budget, once approved (or deemed approved) by the Debtor and the DIP Lender shall modify, replace, supplement or supersede, as applicable, the Initial DIP Budget for the periods covered thereby (the Initial DIP Budget and each subsequent approved budget (including any additional line-item or other detail and supplements as may be provided pursuant to the terms of the DIP Term Sheet or the DIP Credit Agreement, as applicable)

shall constitute, without duplication, a "**Budget**"). For purposes of this Interim Order, the Initial DIP Budget shall be the Budget (unless and until such budget is modified in accordance with the DIP Term Sheet). The Budget has been prepared by the Debtor, its management, and its advisors. The Debtor believes that the Budget is reasonable under the circumstances. The DIP Lender is relying, in part, on the Debtor's agreement to comply with the Budget (subject only to the Permitted Variance) and the terms of this Interim Order and the other DIP Documents in determining to enter into the DIP Facility and, thereafter, to consent to the use of Cash Collateral as provided for herein.

N. *Notice*. Notice of the Motion and the Interim Hearing complies with section 102(1) of the Bankruptcy Code, Bankruptcy Rules 2002, 4001(b) and (c), and 9014, and the Local Rules.

O. *Immediate Entry*. The Debtor has requested immediate entry of this Interim Order pursuant to Bankruptcy Rules 4001(b)(2), 4001(c)(2), and 6003, and the Local Rules. Unless the relief set forth in this Interim Order is granted, the Debtor's estate will be immediately and irreparably harmed. Consummation of the DIP Facility and the use of Cash Collateral upon the terms set forth in this Interim Order and the DIP Term Sheet is consistent with the Debtor's exercise of its fiduciary duties. Sufficient cause exists for immediate entry of this Interim Order pursuant to Bankruptcy Rules 4001(b)(2) and (c)(2) and the Local Rules. The Motion and this Interim Order comply with the requirements of Local Rule 4001-2.

NOW THEREFORE, based upon the foregoing findings and conclusions, the Motion, the declarations filed in support of the Motion, the evidence adduced at the Interim Hearing and the record before the Court, and after due consideration, and good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. *Motion Granted*. The Motion is hereby granted, on an interim basis, upon the terms and conditions set forth in this Interim Order and the DIP Term Sheet. Any objections or other statements with respect to any of the relief set forth in this Interim Order that have not been withdrawn, waived, or settled, and all reservations of rights inconsistent with this Interim Order, are hereby denied and overruled. This Interim Order shall become effective and enforceable immediately upon its entry.

2. *Authorization of DIP Facility and DIP Term Sheet.*

(a) Authorization of DIP Term Sheet. The Debtor is authorized to enter into the DIP Facility on an interim basis. The Debtor is hereby authorized to (i) execute, deliver and perform all of its obligations under the DIP Term Sheet, the other DIP Documents (as the case may be), and this Interim Order; and (ii) execute, deliver and perform under any and all other instruments, certificates, agreements and other documents (including, without limitation, the execution and/or recordation of collateral, pledge and security documents, mortgages and deeds of trust (if applicable) and financing statements), and perform all such other and further acts that may be necessary, required or desirable for the Debtor to perform its obligations under the DIP Facility, the DIP Term Sheet, the other DIP Documents (as the case may be), and this Interim Order and to implement the transactions contemplated thereunder and hereunder.

(b) Authorization to Borrow Interim DIP Loans and Use Cash Collateral. The Debtor is hereby authorized to borrow the Interim DIP Loans (*plus* applicable interest, premiums (including, without limitation, the Commitment Fee, the Work Fee, and the Initial Exit Fee, which are approved on a final basis), fees (including professional fees and expenses), costs, expenses, charges and other amounts payable hereunder and under the DIP Term Sheet), subject to the terms

and conditions (including any payment priorities and any availability limitations and conditions precedent to such DIP Borrowing) set forth in the DIP Term Sheet and this Interim Order. The Debtor is hereby authorized to use the proceeds of the DIP Borrowings under the DIP Facility and all Cash Collateral solely in the manner and for the purposes expressly permitted in the Budget (subject to the Permitted Variance), the DIP Term Sheet, and this Interim Order.

(c) DIP Fees and Expenses; Indemnification. The Debtor is hereby authorized and directed to pay, as and when due, any and all (i) fees, premiums or other payments payable under the DIP Term Sheet (including, without limitation, the Commitment Fee, which fee shall be paid from the proceeds of the Interim DIP Loans), (ii) amounts due (or that may become due) in respect of the indemnification obligations under the DIP Term Sheet, and (iii) costs, expenses and disbursements of the DIP Lender payable under the DIP Term Sheet and this Interim Order, including, without limitation, the reasonable and documented fees and expenses of (A) Norton Rose Fulbright US LLP and Ice Miller LLP, as co-counsel to the DIP Lender, and (B) any other accountants, consultants, attorneys, advisors, appraisers, or other professionals that may be retained by the DIP Lender with the consent of the Debtor, such consent not to be unreasonably withheld or delayed (the foregoing subclauses (A)-(B), the "**DIP Lender Advisors**"), in the case of each of the foregoing clauses (i)-(iii), whether or not such payments, premiums, fees, costs, expenses or other amounts arose before or after the Petition Date and whether or not the transactions contemplated herein or in the DIP Term Sheet are consummated through no fault of the DIP Lender, without the need to file fee or retention applications with the Court, without the need to comply with the U.S. Trustee's fee guidelines, and all such payments, premiums, fees, costs, expenses and other amounts are hereby approved. Such indemnity shall not extend to any loss, claim, damage, liability or expense (a) arising from the material breach of any obligation of

such Indemnitee under the DIP Documents, (b) that does not involve an act or omission of the Debtor and that is brought by an Indemnitee against another Indemnitee (other than claims against an Indemnitee in its capacity or in fulfilling its role as DIP Lender), or (c) which a court of competent jurisdiction has determined by final, non-appealable judgment to have arisen from the gross negligence, bad faith, or willful misconduct of such Indemnitee. In the case of the foregoing clause (iii), any invoices submitted for payment may be in summary form only (and shall not be required to contain individual time entries, and may be redacted or modified to the extent necessary to delete any information subject to the attorney-client privilege, any information constituting attorney work product, or any other confidential information, and the provision of such invoices shall not constitute any waiver of the-attorney-client privilege or of any benefits of the attorney work product doctrine), and shall be promptly paid by the Debtor, on a monthly basis as appropriate, upon receipt of any such invoices, subject to paragraph 10 with respect to fees and expenses incurred after the Interim DIP Loans.

(d) Consistent with the Court's ruling at the Interim Hearing, notwithstanding anything in Section 9 of the DIP Term Sheet to the contrary, the Debtor shall pay to the DIP Lender an exit fee as follows: (i) following entry of the Interim Order, 5.0% of the Interim DIP Loans (the "**Initial Exit Fee**"), which Initial Exit Fee shall be approved on a final basis, fully earned and allowed, non-refundable and not be subject to reduction, setoff or recoupment for any reason upon entry of this Interim Order; and (ii) subject to and following the entry of the Final Order, 5.0% of the remaining amount of the DIP Commitments (*i.e.*, the full amount of the DIP Commitments *less* amount(s) drawn under the Interim DIP Loans) (the "**Additional Exit Fee**" and together with the Initial Exit Fee, the "**Exit Fee**"). The earned portion of the Exit Fee shall be due and payable in cash upon the earliest of (x) the DIP Termination Date (as defined below), (y) Payment in Full of

the DIP Obligations, and (z) on a *pro rata* basis for any mandatory prepayment or voluntary prepayment of the DIP Obligations.

3. *DIP Obligations*.

(a) Upon execution and delivery of the DIP Term Sheet, the DIP Term Sheet shall constitute valid, binding, enforceable, and nonavoidable obligations of the Debtor, and shall be fully enforceable against the Debtor, its estate, and any successors thereto, including, without limitation, any estate representative or trustee appointed in the Chapter 11 Case or in any case under chapter 7 of the Bankruptcy Code upon the conversion of the Chapter 11 Case, or in any other proceedings superseding or relating to any of the foregoing and/or upon the dismissal of the Chapter 11 Case or any such successor case (the "**Successor Case**"), in each case, in accordance with the terms of the DIP Term Sheet and this Interim Order.

(b) Upon execution and delivery of the DIP Term Sheet, the Debtor shall be liable for all DIP Obligations, including, without limitation, all loans, advances, extensions of credit, financial accommodations, principal, interest, premiums or similar amounts, fees, costs, expenses, charges, indemnification and reimbursement obligations (whether contingent or absolute), and all other obligations or amounts, whether or not such obligations arose before or after the Petition Date, whenever the same shall become due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise, in each case, which may now or from time to time be owing by the Debtor to the DIP Lender under the DIP Term Sheet or this Interim Order. The DIP Obligations shall be due and payable, without notice or demand, the DIP Commitments shall automatically terminate, and the use of Cash Collateral shall automatically cease, on the DIP Termination Date (subject to paragraph 19(b) hereof).

(c) All obligations incurred, payments made, and transfers or grants of security and liens set forth in this Interim Order and the DIP Term Sheet by the Debtor are granted to or for the benefit of the Debtor for fair consideration and reasonably equivalent value and are granted contemporaneously with the making of the loans and commitments and other financial accommodations secured thereby. No obligation, payment, transfer, or grant of liens and security interests under this Interim Order or the DIP Term Sheet to the DIP Lender (including, without limitation, the DIP Obligations, the DIP Liens, and the DIP Superpriority Claims) shall be limited, stayed, restrained, voidable, avoidable, or recoverable under the Bankruptcy Code or under any applicable law, or subject to any contest, attack, objection, challenge, defense, claim, counterclaim or Cause of Action, including any Avoidance Action or any other claim or Cause of Action seeking reduction, setoff, offset, recoupment, recharacterization, subordination (whether equitable, contractual or otherwise), reclassification, disgorgement, disallowance, impairment, marshaling, surcharge, recovery, or any other claim or Cause of Action of any nature and description whatsoever, whether arising under the Bankruptcy Code, applicable non-bankruptcy law or otherwise (in each case in accordance with and subject to the fee review procedures set forth in paragraph 10 hereof).; *provided*, *however*, that any waiver of the equitable doctrine of marshaling pursuant to this paragraph 3(c) or otherwise in this Interim Order shall be subject to entry of the Final Order.

4. *No Obligation to Extend Credit*. The DIP Lender shall have no obligation to make any loan or advance under the DIP Term Sheet, unless all of the conditions precedent to the making of such loan or advance by the DIP Lender under the DIP Term Sheet and this Interim Order have been satisfied in full (or waived) in accordance with the terms of the DIP Term Sheet and this Interim Order, as applicable. Notwithstanding anything contained in this Interim Order or the DIP

Term Sheet to the contrary, in no event shall the aggregate principal amount of the DIP Loans available or outstanding under the DIP Term Sheet at any time (after giving effect to all DIP Borrowings previously made or requested) exceed the total DIP Commitments.

5. *No Duty to Monitor Compliance*. The DIP Lender shall not have any obligation or responsibility to monitor the Debtor's use of DIP Collateral or Cash Collateral, and the DIP Lender and its advisors may rely upon the Debtor's and its advisors' representations that the use of DIP Collateral and Cash Collateral complies with and is in accordance with the requirements of this Interim Order and the DIP Term Sheet.

6. *DIP Liens.*

(a) DIP Liens. Effective upon entry of this Interim Order, and without the necessity of the execution, recordation or filing of any pledge, collateral or security documents, mortgages, deeds of trust, financing statements, notations of certificates of title for titled goods, or any other document or instrument, or the taking of any other action (including, without limitation, entering into any lockbox or deposit account control agreements or other action to take possession or control of any DIP Collateral), as security for the prompt and complete payment and performance of all DIP Obligations when due (whether at stated maturity, by acceleration or otherwise), the DIP Lender is hereby granted valid, binding, enforceable, nonavoidable, and automatically and properly perfected liens and security interests (collectively, the "**DIP Liens**") in all DIP Collateral, subject and subordinate to the Carve Out, and subject to the relative priorities set forth in paragraph 6(c) of this Interim Order.

(b) DIP Collateral. The term "**DIP Collateral**" means all of the Debtor's right, title and interest in, to and under all of the Debtor's assets and properties, including, but not limited to the following, in each case, whether now owned or existing or hereafter acquired, created or

arising and wherever located: all assets and property of the Debtor (and its estate), real or personal, tangible or intangible, now owned or hereafter acquired, whether arising before or after the Petition Date, including, without limitation, all contracts (including, without limitation, any Acceptable Stalking Horse Purchase Agreement (as defined in the DIP Term Sheet)), contract rights, licenses, general intangibles, instruments, equipment, accounts, documents, goods, inventory, fixtures, cash, cash equivalents, accounts receivables, chattel paper, letters of credit and letter of credit rights, investment property (including, without limitation, all equity interests owned by the Debtor in the Foreign Subsidiaries (as defined in the DIP Term Sheet) and its other existing and future subsidiaries, if any), limited liability company interests, commercial tort claims, arbitration awards, money, insurance, receivables, receivables records, deposit accounts, collateral support, supporting obligations and instruments, all interests in leaseholds and real properties, all patents, copyrights, trademarks, all trade names and other intellectual property (whether such intellectual property is registered in the United States or in any foreign jurisdiction), together with all books and records relating to the foregoing, all proceeds, products, accessions, rents and profits of or in respect of any of the foregoing (as such terms are defined in the Uniform Commercial Code as in effect from time to time in the State of New York) and (i) effective upon entry of the Interim Order, all causes of actions under section 549 of the Bankruptcy Code to recover any postpetition transfer of DIP Collateral and any proceeds thereof and (ii) effective upon entry of the Final Order, all other Avoidance Actions and the proceeds thereof (collectively, the "**Avoidance Action Assets**").

(c) Priority of DIP Liens. The DIP Liens shall have the following ranking and priorities (subject in all cases to the Carve Out):

(i) *First Priority Senior Liens*. Pursuant to sections 364(c)(2), and 364(c)(3) of the Bankruptcy Code, the DIP Liens shall be valid, binding, continuing, enforceable, nonavoidable, fully and automatically perfected first priority liens and security interests in all DIP Collateral.

(ii) *DIP Liens Senior to Other Liens*. Except to the extent expressly permitted hereunder, the DIP Liens and the DIP Superpriority Claims shall not be made subject or subordinate to or *pari passu* with (A) any lien, security interest or claim heretofore or hereinafter granted in the Chapter 11 Case or any Successor Case, including any lien, security interest or claim granted in favor of any federal, state, municipal, or other governmental unit (including any regulatory body), commission, board or court for any liability of the Debtor, (B) any lien or security interest that is avoided and preserved for the benefit of the Debtor and its estate under section 551 of the Bankruptcy Code or otherwise, (C) any intercompany or affiliate claim, lien or security interest of the Debtor or its affiliates, or (D) any other lien, security interest or claim arising under section 363 or 364 of the Bankruptcy Code granted on or after the date hereof.

(d) To the fullest extent permitted by the Bankruptcy Code, any provision of any lease, license, contract or other agreement that requires the consent or approval of one or more landlords, licensors or other parties, or requires the payment of any fees or obligations to any governmental entity, non-governmental entity or any other person or entity, in order for the Debtor to pledge, grant, mortgage, sell, assign, or otherwise transfer any fee or leasehold interest, or proceeds thereof or other collateral related thereto, shall have no force or effect with respect to the transactions granting the DIP Liens in any such fee, leasehold, interest, or other collateral, or in the proceeds of any assignment and/or sale thereof by the Debtor in favor of the DIP Lender in accordance with the DIP Term Sheet and this Interim Order.

7. *DIP Superpriority Claims*. Pursuant to and to the extent permitted by sections 364(c)(1) of the Bankruptcy Code, the DIP Obligations shall constitute allowed superpriority administrative expense claims against the Debtor in the Chapter 11 Case and any Successor Case on account of the DIP Obligations, with priority over any and all other administrative expense claims and all other claims against the Debtor, now existing or hereafter arising, of any kind or nature whatsoever, including, without limitation, and all administrative expense claims of the kind specified in or ordered pursuant to sections 105, 326, 328, 330, 331, 503(b), 506(c) (subject to entry of the Final Order), 507, 546, 726, 1113 or 1114 of the Bankruptcy Code, or any other provision of the Bankruptcy Code, solely as provided under Section 364(c)(1) of the Bankruptcy

Code (the "**DIP Superpriority Claims**"); *provided*, *however*, that the DIP Superpriority Claims shall not have priority over any stalking horse bid protections approved by the Court in the Chapter 11 Case with respect to an Acceptable Stalking Horse Purchase Agreement. The DIP Superpriority Claims shall (x) for purposes of section 1129(a)(9)(A) of the Bankruptcy Code, be considered administrative expenses allowed under section 503(b) of the Bankruptcy Code and (y) be subject and subordinate to the Carve Out. The DIP Superpriority Claims shall be payable by the Debtor and shall have recourse to all DIP Collateral, subject only to the Carve Out. The DIP Superpriority Claims shall be entitled to the full protection of section 364(e) of the Bankruptcy Code, including in the event that this Interim Order or any provision hereof is vacated, reversed, or modified, on appeal or otherwise.

8. *Use of DIP Collateral and Cash Collateral.*

(a) The Debtor is hereby authorized to use the proceeds of DIP Loans and Cash Collateral solely to the extent expressly permitted under the Budget (subject to the Permitted Variance) and subject to the terms and conditions set forth in the DIP Term Sheet and this Interim Order. Unless otherwise agreed to by the DIP Lender, except on the terms and conditions of this Interim Order and the DIP Term Sheet, the Debtor shall be enjoined and prohibited from at any time using the Cash Collateral absent further order of the Court.

(b) Without the prior written consent of the DIP Lender or order of the Court after notice and a hearing, the Debtor shall not sell, transfer, lease, encumber, or otherwise dispose of any portion of the DIP Collateral (or enter into any binding agreement to do so), except as expressly permitted by the DIP Term Sheet. All collections and proceeds, whether from ordinary course collections, asset sales, debt or equity issuances, insurance recoveries, condemnation, or otherwise, will be deposited and applied to repay the DIP Obligations as required by this Interim

Order and the DIP Term Sheet. The Debtor is authorized and directed, upon the closing of a sale of any of the DIP Collateral, to immediately pay all proceeds of any such sale to the DIP Lender to satisfy the DIP Obligations in accordance with this Interim Order and the DIP Term Sheet until the DIP Obligations are Paid in Full,[5] and any order approving the sale of such DIP Collateral shall provide that the sale is conditioned upon such payment of DIP Obligations (except to the extent otherwise agreed in writing by the DIP Lender), in each case subject to the Carve Out. All cash proceeds derived from the sale, transfer, lease, encumbrance, or other disposition of any portion of the DIP Collateral (or entry into any binding agreement to do so) or of all or substantially all of the Debtor's assets outside the ordinary course of business shall be used for the satisfaction of the DIP Obligations until the DIP Obligations have been Paid in Full, and none of the cash proceeds derived from such sale, transfer, lease, encumbrance, or other disposition of such portion of the DIP Collateral (or entry into any binding agreement to do so) may be used for (x) the payment of any fees or expenses of any Professional Persons (as defined below) or (y) the payment of any fees, expenses, or costs of the sale transaction until the DIP Obligations have been Paid in Full (other than any stalking horse bid protections approved by the Court in the Chapter 11 Case with respect to an Acceptable Stalking Horse Purchase Agreement).

9. *Budget and Variance Reporting*. The Debtor shall comply with the budget and variance reporting obligations set forth in the DIP Term Sheet.

10. *Fees and Expenses*. The invoices with respect to the professional fees and expenses payable under paragraph 2(c) of this Interim Order shall not be required to comply with the U.S.

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[5] The term "**Paid in Full**" or "**Payment in Full**" means the irrevocable and indefeasible payment in full in cash of all DIP Obligations, other than continuing indemnification and expense reimbursement obligations for which no claim or demand has been asserted, and all commitments thereunder shall have irrevocably, permanently, and finally expired or shall have been terminated, cancelled, and discharged.

Trustee guidelines, nor shall the applicable professionals be required to file fee applications with the Court with respect to any fees or expenses payable hereunder, and all invoices therefor may be in summary form only (and shall not be required to contain individual time entries, and may be redacted or modified to the extent necessary to delete any information subject to the attorney-client privilege, any information constituting attorney work product, or any other confidential information, and the provision of such invoices shall not constitute any waiver of the attorney-client-privilege or of any benefits of the attorney work product doctrine), and shall, by email, be provided to counsel to the Debtor, counsel to any Committee and the U.S. Trustee (the "**Fee Notice Parties**"); *provided*, *however*, if no formal objection to payment of the requested fees and expenses is made in writing by any of the Fee Notice Parties within five (5) business days after delivery of such invoices (the "**Fee Objection Period**"), then, upon the expiration of the Fee Objection Period, without further order of, or application to, the Court or notice to any other party, such fees and expenses shall be promptly paid by the Debtor and, in any event, no later than three (3) business days after expiration of the Fee Objection Period; *provided*, *further*, *however*, that if a formal objection is made by any of the Fee Notice Parties within the Fee Objection Period to payment of the requested fees and expenses, the undisputed portion shall promptly be paid by the Debtor, and in any event, no later than three (3) business days after expiration of the Fee Objection Period, and the disputed portion shall only be paid upon resolution of such objection by the applicable parties or by order of the Court. Any hearing on an objection to the payment of any fees, costs or expenses set forth in a professional fee invoice shall be limited to reasonableness of the fees, costs and expenses that are the subject of such objection.

11. *Reservation of Rights*. Notwithstanding anything herein to the contrary, the entry of this Interim Order is without prejudice to, and does not constitute a waiver of, expressly or

implicitly: (a) the rights of the DIP Lender to seek any other or supplemental relief in respect of the Debtor; (b) the rights of the DIP Lender under the DIP Term Sheet, the Bankruptcy Code or applicable non-bankruptcy law, including, without limitation, the right to (i) request modification of the automatic stay of section 362 of the Bankruptcy Code; (ii) request dismissal of the Chapter 11 Case, conversion of the Chapter 11 Case to a case under chapter 7, or appointment of a chapter 11 trustee or examiner with expanded powers; or (iii) propose, subject to the provisions of section 1121 of the Bankruptcy Code, a chapter 11 plan or plans; or (c) any other rights, claims, or privileges (whether legal, equitable or otherwise) of the DIP Lender. Notwithstanding anything contained herein to the contrary, the entry of this Interim Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly, the Debtor's or any party in interest's right to oppose (on an emergency basis if need be) any of the relief requested in accordance with the immediately preceding sentence, except as expressly set forth in this Interim Order.

12. *Amendments*. Without the need for further notice to or approval of this Court, the Debtor is authorized to execute, deliver and perform under, one or more amendments, waivers, consents, or other modifications to and under the DIP Term Sheet, in each case, in accordance with the provisions of the DIP Term Sheet governing amendments thereto (and otherwise in form and substance acceptable to the DIP Lender); *provided*, *however,* that any amendment that (a) shortens the maturity of the extensions of credit thereunder; (b) increases the aggregate commitments thereunder; (c) increases the rate of interest or any fee payable thereunder; or (d) any other material amendment, waiver, consent or other modification (each, a "**Material DIP Amendment**"), shall be subject to approval of the Court.

13. *Modification of Automatic Stay*. The automatic stay imposed by section 362(a) of the Bankruptcy Code is hereby vacated and modified, without further notice to or order of this

Court, to permit: (a) the Debtor to grant the DIP Liens and the DIP Superpriority Claims, and to perform such acts as the DIP Lender may request to assure the perfection and priority of the DIP Liens; (b) the Debtor to incur all liabilities and obligations, including all of the DIP Obligations, to the DIP Lender as contemplated under this Interim Order and the DIP Term Sheet; (c) the Debtor to pay all amounts required hereunder and under the DIP Term Sheet; (d) the Debtor to retain and apply payments made in accordance with the terms of this Interim Order and the DIP Term Sheet; (e) subject to paragraph 19(b) of this Interim Order, the DIP Lender to exercise, upon the occurrence and during the continuance of any DIP Termination Event (as defined below), all rights and remedies provided for in this Interim Order, the DIP Term Sheet or applicable law; (f) to perform under this Interim Order and the DIP Term Sheet, and to take any and all other actions that may be required, necessary, or desirable for the performance by the Debtor under this Interim Order and the DIP Term Sheet and the implementation of the transactions contemplated hereunder and thereunder; and (g) the implementation of all of the terms, rights, benefits, privileges, remedies, and provisions of this Interim Order and the DIP Term Sheet.

14. *Perfection of DIP Liens*.

(a) This Interim Order shall be sufficient and conclusive evidence of the attachment, validity, perfection, and priority of all liens and security interests granted hereunder and under the DIP Term Sheet, including, without limitation, the DIP Liens, without the necessity of the execution, recordation or filing of any pledge, collateral or security agreements, mortgages, deeds of trust, lockbox or control agreements, financing statements, notations of certificates of title for titled goods, or any other document or instrument, or the taking of any other action (including, without limitation, entering into any deposit account control agreement or other act to take possession or control of any DIP Collateral), to attach, validate, perfect or prioritize such liens and

security interests, or to entitle the DIP Lender to the priorities granted herein (each, a "**Perfection Act**") (other than, to the extent applicable, any such filings required under applicable non-U.S. law to attach, validate, perfect or prioritize such liens).

(b) Without in any way limiting the automatically effective perfection of the liens granted hereunder and the DIP Term Sheet (including, without limitation, the DIP Liens), the DIP Lender is hereby authorized, but not required, as it may determine for any reason, to execute, file and record (and to execute in the name of the Debtor, as its true and lawful attorneys, with full power of submission, to the maximum extent permitted under applicable law) or otherwise effectuate any Perfection Act or to take any other action in order to attach, validate, perfect, and preserve the liens and security interests granted to them hereunder or under the DIP Term Sheet to otherwise evidence such liens and security interests in all DIP Collateral; *provided*, *however*, that, whether or not the DIP Lender determines to execute, file, record or otherwise effectuate any Perfection Act with respect to any liens or security interests granted hereunder, such liens and security interests shall nonetheless be deemed valid, perfected, allowed, enforceable, nonavoidable and not subject to objection, challenge, dispute, avoidance, recharacterization or subordination as of the entry of this Interim Order. Upon the request of the DIP Lender, without any further consent of any party, the DIP Lender and the Debtor are authorized, and the Debtor is directed, to take, execute, deliver and file such instruments (in each case, without representation or warranty of any kind) to enable the DIP Lender to further validate, perfect, preserve and enforce the DIP Liens. All such documents will be deemed to have been recorded and filed as of the entry of this Interim Order.

(c) A certified copy of this Interim Order may be (but need not be) filed with or recorded in filing or recording offices in addition to or in lieu of any security documents, and

all filing offices are hereby authorized to accept such certified copy of this Interim Order for filing and/or recording, as applicable. The automatic stay of section 362(a) of the Bankruptcy Code shall be modified to the extent necessary to permit the DIP Lender to take all actions referenced in this paragraph.

15. *Protection of DIP Lender's Rights*.

(a) Subject to entry of the Final Order, in the event that any other person or entity, in each case, that holds a lien on or security interest in DIP Collateral that is junior or otherwise subordinate to the DIP Liens receives any DIP Collateral or proceeds of DIP Collateral, or receives any payment on account of such lien or security interest in the DIP Collateral, (whether in connection with the exercise of any right or remedy (including setoff), payment or distribution from the Debtor, mistake, or otherwise), prior to the Payment in Full of all DIP Obligations (or the portion of the DIP Obligations having priority with respect to such payment), such person or entity shall be deemed to have received, and shall hold, any such payment or proceeds of DIP Collateral in trust for the benefit of the DIP Lender, and shall immediately turn over all such proceeds on account of DIP Obligations having priority to the DIP Lender in the same form as received, with any necessary endorsements, for application in accordance with the DIP Term Sheet and this Interim Order.

(b) Except as expressly provided herein or in the DIP Term Sheet, no claim or lien having a priority senior to or *pari passu* with those granted to the DIP Lender by this Interim Order (other than any stalking horse bid protections approved by the Court in the Chapter 11 Case with respect to an Acceptable Stalking Horse Purchase Agreement and any liens perfected in accordance with section 546(b) of the Bankruptcy Code) shall be granted or permitted while any of the DIP Obligations remain outstanding. Except as expressly provided in this Interim Order or

the DIP Term Sheet, each of the DIP Liens and the DIP Superpriority Claims: (A) shall not be made junior or subordinated to or *pari passu* with (i) any lien, security interest or claim heretofore or hereinafter granted in the Chapter 11 Case or any Successor Case, (ii) any lien that is avoided and preserved for the benefit of the Debtor and its estate under section 551 of the Bankruptcy Code or otherwise, (iii) subject to entry of a Final Order, any lien arising after the Petition Date including, without limitation, any lien or security interests granted in favor of any federal, state, municipal or other domestic or foreign governmental unit (including any regulatory body), commission, board or court for any liability of the Debtor, or (iv) any intercompany or affiliate lien or claim; and (B) shall not be subject to sections 510, 549, 550 or 551 of the Bankruptcy Code and, subject to entry of the Final Order, section 506(c) of the Bankruptcy Code.

16. *Maintenance of DIP Collateral*. Until such time as all DIP Obligations are Paid in Full (or as otherwise agreed in writing by the DIP Lender), the Debtor shall continue to maintain all property, operational, and other insurance as required and as specified in the DIP Term Sheet. Upon the entry of this Interim Order, the DIP Lender shall automatically be deemed to be named as additional insured and lender loss payee under each insurance policy maintained by the Debtor that in any way relates to the DIP Collateral (including all property damage and business interruption insurance policies of the Debtor, whether expired, currently in place, or to be put in place in the future), and shall act in that capacity and distribute any proceeds recovered or received in respect of any such insurance policies, to the DIP Lender until the Payment in Full of all DIP Obligations. Notwithstanding the foregoing, the Debtor shall take any actions reasonably requested by the DIP Lender to have the DIP Lender added as an additional insured and lenders loss payee on each such insurance policy.

17. *Cash Management*. Until such time as all DIP Obligations are Paid in Full, the Debtor shall maintain the cash management system in effect as of the Petition Date, as modified by this Interim Order and any order of the Court authorizing the continued use of the cash management system that is acceptable to the DIP Lender. The Debtor shall not open any new deposit or securities account that is not subject to the liens and security interests of the DIP Lender (in which case it shall be subject to the lien priorities and other provisions set forth in this Interim Order), excluding any Professional Fees Account (as defined below).

18. *Reporting; Access to Records*. The Debtor shall provide the DIP Lender and DIP Lender Advisors with all reporting, management calls, access to books and records and other information required to be provided to the DIP Lender under the DIP Term Sheet. Without limiting the requirements contained herein or in the DIP Term Sheet, the Debtor shall (a) provide the DIP Lender and its counsel, as well as counsel to any Committee, with (i) all reports, documents, and information required to be delivered under the DIP Term Sheet (contemporaneously when the same is required to be delivered thereunder), and (ii) reasonable access, upon reasonable notice and during regular business hours, to the Debtor's books and records, assets and properties, for purposes of monitoring the Debtor's business and operations and the value of the DIP Collateral, and (b) reasonably cooperate and consult with, and provide information reasonably requested by the DIP Lender or any Committee (and their respective advisors) concerning the Debtor's business, financial condition, properties, business operations and assets.

19. *DIP Termination Events; Exercise of Remedies.*

(a) DIP Termination Events. The occurrence of any of the Events of Default set forth in the DIP Term Sheet shall constitute a "DIP Termination Event" under this Interim

Order (each a "**DIP Termination Event**," and the date upon which such DIP Termination Event occurs, the "**DIP Termination Date**"), unless waived in writing by the DIP Lender.

(b) Remedies Upon DIP Termination Event. Upon the occurrence and during the continuation of a DIP Termination Event, without further notice to, hearing, or order from the Court, the automatic stay provisions of section 362 of the Bankruptcy Code shall be vacated and modified to the extent necessary to permit the DIP Lender to: (i) deliver to the Debtor a notice declaring the occurrence of a DIP Termination Event; (ii) declare the termination, reduction or restriction of the DIP Commitments (to the extent any such commitment remains), whereupon the DIP Commitments shall be terminated, reduced, or restricted; (iii) declare the DIP Obligations then outstanding to be due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Debtor; (iv) declare the reduction or restriction on the DIP Facility or the DIP Term Sheet, whereupon the DIP Facility or the DIP Term Sheet shall be reduced or restricted; (v) declare the termination, restriction, or revocation of the ability of the Debtor to use Cash Collateral; (vi) charge interest at the default rate under the DIP Facility; (vii) freeze all monies or balances in any deposit accounts of the Debtor; (viii) immediately exercise any and all rights of set-off; (ix) exercise any right or remedy against the DIP Collateral, including, without limitation, the foreclosure on or disposition of DIP Collateral for application towards the DIP Obligations; (x) file a motion seeking Court authority to sell all or substantially all of the Debtor's assets pursuant to section 363 of the Bankruptcy Code; or (xi) take any other action or exercise any other right or remedy permitted under the DIP Term Sheet, this Interim Order or applicable law; *provided* that, in the case of the enforcement of rights against the DIP Collateral other than due to the occurrence of the Maturity Date, the DIP Lender shall provide counsel to the Debtor, counsel to any Committee and the U.S. Trustee five business days' prior

written notice (the "**Remedies Notice**")[6] (which may be provided by email or other electronic means), and during such five business day notice period (the "**Remedies Notice Period**"), the Debtor, any Committee and/or any other party in interest shall be permitted to request an emergency hearing (an "**Emergency Hearing**") before the Court (which request must be made prior to the conclusion of the Remedies Notice Period, and shall seek consideration of such request on an expedited basis); *provided*, *however*, that, during the Remedies Notice Period, the Debtor is permitted to use Cash Collateral solely to fund expenses critically necessary to preserve the value of the Debtor's business and fund the Carve Out Reserves (as defined below). For the avoidance of doubt, in the case of the enforcement of rights against the DIP Collateral, the Debtor shall be deemed to have granted the DIP Lender standing to pursue such actions. If an Emergency Hearing is requested to be heard prior to the expiration of the Remedies Notice Period but is scheduled to be heard after the expiration of the Remedies Notice Period by the Court, the Remedies Notice Period shall be automatically extended to the date of such hearing.

(c) Unless the Court orders otherwise during the Remedies Notice Period, following the expiration of the Remedies Notice Period, without further notice to, hearing or order from the Court, the automatic stay of section 362 of the Bankruptcy Code shall automatically be vacated and modified for the purposes of permitting the DIP Lender to exercise any and all rights and remedies available to them under this Interim Order, the DIP Term Sheet, and applicable law.

20. *No Waiver by Failure to Seek Relief*. The rights and remedies of the DIP Lender are cumulative and not exclusive of any rights or remedies that the DIP Lender may have under the DIP Term Sheet, applicable law or otherwise. The failure or delay on the part of the DIP

[6] For the avoidance of doubt, the Remedies Notice, or any other notice contemplated under this paragraph 19 may be included in the Carve Out Trigger Notice.

Lender to seek relief or otherwise exercise its rights and remedies under this Interim Order, the DIP Term Sheet or applicable law, as the case may be, shall not constitute a waiver of any of its rights hereunder, thereunder or otherwise. No delay on the part of any party in the exercise of any right or remedy under this Interim Order or the other DIP Documents shall preclude any other or further exercise of any such right or remedy or the exercise of any other right or remedy. None of the rights or remedies of any party under this Interim Order or the other DIP Documents shall be deemed to have been amended, modified, suspended, or waived unless such amendment, modification, suspension, or waiver is express, in writing and signed by the requisite parties under the DIP Term Sheet. No consent, approval, or similar rights of the DIP Lender under the DIP Documents shall be implied by any inaction or acquiescence by the DIP Lender.

21. *Carve Out.*

(a) Carve Out. As used in this Interim Order, the term "***Carve Out***" means an amount equal to the sum of: (i) all fees required to be paid to the Clerk of the Court and to the U.S. Trustee under section 1930(a) of title 28 of the United States Code plus interest at the statutory rate; (ii) all reasonable fees and expenses up to $50,000 incurred by a trustee under section 726(b) of the Bankruptcy Code; (iii) to the extent allowed by this Court at any time, whether by interim order, procedural order, or otherwise (which order has not been vacated or stayed), all unpaid fees and expenses, whether allowed by the Court before or after delivery of a Carve Out Trigger Notice (collectively, the "**Allowed Professional Fees**"), incurred by Persons or firms retained by the Debtor pursuant to section 327, 328, or 363 of the Bankruptcy Code (collectively, the "**Debtor Professionals**") or the Committee, if any, pursuant to section 328 or 1103 of the Bankruptcy Code (the "**Committee Professionals**" and together with Debtor Professionals, the "**Professional Persons**") at any time before or on the first business day following delivery by the DIP Lender of

a Carve Out Trigger Notice (as defined below); *provided* that the amounts set forth in clause (iii) shall be subject to the aggregate amounts for Professional Persons in the Budget and any limits under the DIP Orders (*provided*, that for the avoidance of doubt, Professional Persons may carry forward or roll back budgeted but unused disbursements set forth in the Budget for any week for use in any subsequent or prior week(s), as applicable) (the amounts set forth in clauses (i)-(iii) being the "**Pre-Carve Out Trigger Notice Amounts**"); and (iv) Allowed Professional Fees of Professional Persons in an aggregate amount not to exceed $2,500,000 incurred after the first day following the date of delivery by the DIP Lender of the Carve Out Trigger Notice, to the extent allowed at any time, whether by interim order, procedural order, or otherwise (the amounts set forth in this clause (iv) being the "**Post-Carve Out Trigger Notice Cap**"); *provided*, *however*, that nothing herein shall be construed to impair the ability of any party in interest (including the DIP Lender) to object to the fees, expenses, reimbursement, or compensation described in clauses (i) through (iv) of this paragraph 21(a) on any grounds. In the event that Allowed Professional Fees exceed or are expected to exceed the amounts provided in the Budget, the parties will negotiate in good faith (but without further obligation) regarding a proposed amendment to the Budget to address such additional Allowed Professional Fees. The "**Carve Out Trigger Notice**" shall mean a written notice delivered by email (or other electronic means) by the DIP Lender to counsel to the Debtor, the U.S. Trustee and counsel to the Committee (if any), which notice may be delivered following the occurrence and during the continuation of a DIP Termination Event and the acceleration of the DIP Obligations under the DIP Facility.

(b) Carve Out Reserves. From and after the Petition Date, the Debtor shall, on Monday of each week, transfer cash proceeds of the DIP Facility or cash on hand into a segregated account (the "**Professional Fees Account**") maintained by the Debtor in an amount equal to the

fees and expenses reflected in the Budget for Professional Persons for that week (*provided*, that the first such transfer shall also include any such fees and expenses reflected in the Budget for any prior weeks). The Professional Fees Account, if applicable, shall be held in trust and used solely to satisfy Allowed Professional Fees; *provided*, that the Debtor's obligations to pay Allowed Professional Fees shall not be limited or be deemed limited to funds held in the Professional Fees Account; *provided*, *further* that the Debtor's reversionary interest, if any, in the Professional Fees Account and any funds therein shall be subject to the DIP Liens. On the day on which a Carve Out Trigger Notice is delivered in accordance with this paragraph 21(b) of this Interim Order (the "**Termination Declaration Date**"), the Carve Out Trigger Notice shall constitute a demand to the Debtor to utilize all cash (including Cash Collateral) on hand as of such date, including funds in the Professional Fees Account, if applicable (net of any amounts held on retainer by any Professional Persons), and any available cash thereafter held by the Debtor to fund a reserve (the "**Pre-Carve Out Trigger Notice Reserve**") in an amount equal to the then unpaid amounts of the Pre-Carve Out Trigger Notice Amounts accrued on and prior to the Termination Declaration Date. Upon the occurrence of a Termination Declaration Date, Professional Persons shall have three (3) business days thereafter to deliver fee statements to the Debtor Professionals and the DIP Lender that cover such Professional Persons' reasonable good faith estimate of the Allowed Professional Fees incurred by such Professional Persons through and including the Termination Declaration Date. On the Termination Declaration Date, the Carve Out Trigger Notice shall also constitute a demand to the Debtor as of such date to utilize all cash (including Cash Collateral) on hand as of such date (net of any amounts held on retainer by any Professional Persons) to fund a reserve in an amount equal to the Post-Carve Out Trigger Notice Cap (the **"Post-Carve Out Trigger Notice Reserve**" and, together with the Pre-Carve Out Trigger Notice Reserve, the "**Carve Out**

Reserves"). The Carve Out Reserves shall be deposited in the Professional Fees Account, to be held in trust, and used solely to satisfy Allowed Professional Fees benefitting from the Carve Out in accordance with the terms hereof until such Allowed Professional Fees are paid in full. All funds in the Pre-Carve Out Trigger Notice Reserve shall be subject to the DIP Liens, but used first to pay the outstanding obligations set forth in clauses (i) through (iv) of paragraph 21(a) (but not, for the avoidance of doubt, the Post-Carve Out Trigger Notice Cap), until paid in full, and then, to the extent the-Pre-Carve Out Trigger Notice Reserve has not been reduced to zero, to pay the DIP Lender for application to the DIP Obligations in accordance with the DIP Term Sheet, unless and until the DIP Obligations are Paid in Full. All funds in the Post-Carve Out Trigger Notice Reserve shall be used first to pay the outstanding obligations set forth in clause (iv) of paragraph 21(a), and then, to the extent the-Post-Carve Out Trigger Notice Reserve has not been reduced to zero, to pay the DIP Lender for application to the DIP Obligations in accordance with the DIP Term Sheet, unless and until the DIP Obligations are Paid in Full. Notwithstanding anything to the contrary in this Interim Order, (x) disbursements by the Debtor from the Carve Out Reserves shall not constitute loans or indebtedness under the DIP Term Sheet or otherwise increase or reduce the DIP Obligations, (y) the failure of the Carve Out Reserves to satisfy in full the Allowed Professional Fees shall not affect the priority of the Carve Out, and (z) nothing contained herein shall constitute a cap or limitation on the ability of the Professional Persons to assert a claim on account of Allowed Professional Fees that are due and payable by the Debtor.

(c) Carve Out Draw. Subject to exhaustion of the DIP Commitments and subject to the amounts for Allowed Professional Fees in the Budget as in effect immediately prior to the DIP Termination Event, the Debtor shall be permitted to draw on the DIP Facility in the amount of the Carve Out as of the date of the Carve Out Trigger Notice less the amounts contained

in the Carve Out Reserves, notwithstanding any default, Event of Default, or the occurrence of a DIP Termination Event. Any Carve Out Trigger Notice shall be deemed a consent by the DIP Lender to the Debtor depositing Cash Collateral or DIP Facility proceeds into the Pre-Carve Out Trigger Notice Reserve in an amount equal to any Pre-Carve Out Trigger Notice Amounts that are budgeted and reflected in the Budget through the date of the Carve Out Trigger Notice that have not been deposited in the Pre-Carve Out Trigger Notice Reserve and into the Post-Carve Out Trigger Notice Reserve in an amount equal to the Post-Carve Out Trigger Notice Cap reflected in the Budget through the date of the Carve Out Trigger Notice that have not been deposited in the Post-Carve Out Trigger Notice Reserve.

(d) Payment of Allowed Professional Fees Prior to Termination Declaration Date. Any payment or reimbursement made prior to the occurrence of the Termination Declaration Date in respect of any Allowed Professional Fees shall not reduce the Carve Out on a dollar-for-dollar basis.

(e) Payment of Carve Out on or After the Termination Declaration Date. Any payment or reimbursement made on or after the occurrence of the Termination Declaration Date in respect of any Allowed Professional Fees shall permanently reduce the Carve Out and the amounts required to fund the Carve Out Reserves on a dollar-for-dollar basis; *provided*, *however*, prior to repayment from the Carve Out Reserves, any retainers held by Professional Persons shall be applied to repay the obligations set forth in clauses (iii) through (iv) of paragraph 21(a) prior to repayment of such obligations from the Carve Out Reserves, and, concurrent with such repayment of such obligations using such retainers, the Carve Out shall permanently be reduced on a dollar for dollar basis.

(f) No Direct Obligation to Pay Allowed Professional Fees. The DIP Lender shall not be responsible for the direct payment or reimbursement of any fees or disbursements of any Professional Person incurred in connection with the Chapter 11 Case or any Successor Case under any chapter of the Bankruptcy Code. Nothing in this Interim Order or otherwise shall be construed to obligate the DIP Lender, in any way, to pay compensation to, or to reimburse expenses of, any Professional Person or to guarantee that the Debtor has sufficient funds to pay such compensation or reimbursement.

22. *Limitations on Use of DIP Collateral, Cash Collateral, Carve Out or Other Funds*. Notwithstanding anything contained in this Interim Order or any other order of the Court to the contrary, no DIP Collateral, DIP Loans, Cash Collateral, proceeds of any of the foregoing, any portion of the Carve Out, or any other funds, may be used (nor shall any professional fees, costs, or expenses be paid or applied in connection therewith) by the Debtor, any statutory or non-statutory committees appointed or formed in the Chapter 11 Case, or any other-party-in-interest (including without limitation any chapter 7 trustee or chapter 11 trustee or examiner appointed or elected for the Debtor in the Chapter 11 Case or any Successor Case), directly or indirectly:

(a) to investigate (including by way of examinations or discovery proceedings, whether formal or informal), prepare, assert, initiate, commence, support or prosecute (or finance the initiation or prosecution of) any claim, counterclaim, cross-claim, Cause of Action, suit, arbitration, proceeding, application, motion, contested matter, objection, defense, adversary proceeding, litigation or other proceeding of any nature or description (whether for monetary, injunctive, affirmative relief or otherwise) against the DIP Lender or its Representatives, including, without limitation, (i) any objection or challenge to the amount, validity, enforceability, extent, perfection or priority in the DIP Term Sheet, the DIP Obligations (including, for the avoidance of doubt, the Commitment Fee, the Work Fee, and the Exit Fee), the DIP Liens, or the DIP Collateral, (ii) any Avoidance Actions, (iii) any so-called "lender liability" claims, (iv) any claim or Cause of Action seeking the invalidation, reduction, setoff, offset, recoupment, avoidance, recharacterization, subordination (whether equitable, contractual or otherwise), reclassification, disgorgement, disallowance, impairment, marshaling, surcharging or recovery with respect to the DIP Liens, the DIP Obligations (including, for the avoidance of doubt, the Commitment Fee, the Work Fee, and the Exit Fee), the DIP Term Sheet, or the DIP

Collateral, (v) any other claim or Cause of Action of any nature and description whatsoever, whether arising under the Bankruptcy Code, applicable non-bankruptcy law, any other domestic or foreign statute, law, rule or regulation or otherwise, against the DIP Lender or its Representatives;

(b) objecting to, appealing or otherwise challenging this Interim Order, the DIP Facility, the DIP Obligations (including, for the avoidance of doubt, the Commitment Fee and the Exit Fee), the DIP Liens, the DIP Term Sheet or the transactions contemplated hereunder or thereunder; *provided* that nothing herein shall impair the rights of such parties to object to the entry of the Final Order;

(c) objecting to or seeking to impair, modify or interfere with any of the rights, remedies, priorities, privileges, protections, or benefits granted to the DIP Lender under this Interim Order or the DIP Term Sheet (other than to contest whether a DIP Termination Event has occurred and is continuing);

(d) objecting to or seeking to prevent, hinder, interfere with or otherwise delay the DIP Lender's assertion, enforcement, exercise of remedies or realization upon any DIP Collateral in accordance with this Interim Order, the DIP Term Sheet or the other DIP Documents (as applicable) (other than to contest whether a DIP Termination Event has occurred and is continuing);

(e) seeking or requesting authorization to obtain postpetition financing (whether equity or debt) or other financial accommodations pursuant to sections 364(c) or (d) of the Bankruptcy Code, or otherwise, unless such financing is sufficient to cause the Payment in Full of all DIP Obligations at the closing of such financing (or as otherwise agreed in writing by the DIP Lender);

(f) seeking or requesting authorization to obtain superpriority claims or liens or security interests (other than liens or security interests expressly permitted under the DIP Term Sheet) in any portion of the DIP Collateral that are senior to or *pari passu* with the DIP Liens, or the DIP Superpriority Claims unless all DIP Obligations have been Paid in Full (or as otherwise agreed in writing by the DIP Lender);

(g) seeking or requesting to use Cash Collateral or sell or otherwise dispose of DIP Collateral (without the prior written consent of the DIP Lender) other than as provided herein and in the DIP Term Sheet; or

(h) seeking to pay any amount on account of any claims arising prior to the commencement of the Chapter 11 Case, unless such payments are agreed to in writing by the DIP Lender (or are otherwise included in the Budget).

23. *Limitation on Charging Expenses*. Subject to entry of the Final Order, except to the extent of the Carve Out or as provided in this Interim Order, no costs or expenses of administration of the Chapter 11 Case or any Successor Case at any time, including, without limitation, any costs and expenses incurred in connection with the preservation, protection, or

enhancement of realization by the DIP Lender upon the DIP Collateral shall be charged against or recovered from the DIP Collateral as to the DIP Lender, whether pursuant to section 506(c) of the Bankruptcy Code, any other legal or equitable doctrine (including unjust enrichment) or otherwise, without the prior written consent of the DIP Lender, in its sole discretion, with respect to the DIP Collateral, and no such consent shall be implied, directly or indirectly, from anything contained in this Interim Order (including, without limitation, consent to the Carve Out or the approval of any budget hereunder) or from any other action, inaction, or acquiescence by the DIP Lender.

24. *No Marshaling*. Subject to entry of the Final Order, in no event shall the DIP Lender be subject to the equitable doctrine of "marshaling" or any similar doctrine with respect to the DIP Collateral, or the DIP Obligations, and all proceeds of the DIP Collateral shall be received and applied in accordance with this Interim Order and the DIP Term Sheet.

25. *Right to Credit Bid*. Subject to section 363(k) of the Bankruptcy Code, as applicable, the DIP Lender or its designee (which may be an acquisition vehicle formed by the DIP Lender) shall have the unqualified right to credit bid up to the full amount of the applicable priority DIP Obligations in any sale of all or any portion of DIP Collateral (including, for the avoidance of doubt, any asset for which the DIP Collateral is limited to the proceeds thereof as a result of applicable law prohibiting encumbrances from being attached to such asset), subject to and in accordance with the DIP Term Sheet, without the need for further order of the Court authorizing same, whether in a sale under or pursuant to section 363 of the Bankruptcy Code, a chapter 11 plan subject to confirmation under section 1129(b)(2)(A) of the Bankruptcy Code, a sale or disposition by a chapter 7 trustee for the Debtor under section 725 of the Bankruptcy Code, or otherwise. The DIP Lender shall have the absolute right to assign, transfer, sell, or otherwise

dispose of its rights to credit bid (subject to this Interim Order) to any acquisition vehicle formed in connection with such bid or other designee.

26. *Binding Effect; Successors and Assigns*. Immediately upon entry of this Interim Order, the provisions of the DIP Term Sheet and this Interim Order, including all findings and conclusions of law herein, shall be binding upon all parties in interest in the Chapter 11 Case and any Successor Case, including without limitation, the DIP Lender, any Committee or any other committee appointed or formed in the Chapter 11 Case and any Successor Case, and their respective successors and assigns (including any chapter 11 trustee or chapter 7 trustee or examiner appointed or elected in the Chapter 11 Case or any Successor Case, or any other fiduciary appointed as a legal representative of the Debtor or with respect to the property of the estate of the Debtor), and shall inure to the benefit of the Debtor, the DIP Lender, and their respective successors and assigns; *provided*, for the avoidance of doubt, that the DIP Lender shall have no obligation to make any loan, permit the use of DIP Collateral (including any Cash Collateral) or extend any financing to any chapter 11 trustee or chapter 7 trustee or similar responsible person appointed for the estate of the Debtor in the Chapter 11 Case or any Successor Case.

27. *No Modification of Interim Order*. Until and unless the DIP Obligations have been Paid in Full, the Debtor irrevocably waives the right to seek, and shall not seek or consent to, directly or indirectly, without the prior written consent of the DIP Lender, (a) any modification, stay, vacatur or amendment to this Interim Order, (b) the allowance of any claim against the Debtor in the Chapter 11 Case or any Successor Case equal or superior to the DIP Superpriority Claims (other than the Carve Out), (c) the grant of any lien or security interest on any DIP Collateral with priority equal to or superior to the DIP Liens, except as expressly permitted hereunder or under

the DIP Term Sheet, or (d) the entry of any order authorizing the use of DIP Collateral (including Cash Collateral) that is inconsistent with this Interim Order.

28. *Proceeds of Subsequent Financings*. Without limiting the provisions of the immediately preceding paragraph, if at any time prior to the Payment in Full of all of the DIP Obligations, either the Debtor, its estate, any chapter 11 trustee, chapter 7 trustee or examiner with enlarged powers, or any responsible officer subsequently appointed in the Chapter 11 Case or any Successor Case, shall obtain credit or incur debt pursuant to sections 364(b), (c), or (d) of the Bankruptcy Code in violation of this Interim Order or the DIP Term Sheet, then, unless otherwise agreed in writing by the DIP Lender, all of the cash proceeds derived from such credit or debt intended to refinance the DIP Obligations shall immediately be paid to the DIP Lender on account of its DIP Obligations pursuant to the DIP Term Sheet.

29. *Preservation of Rights Granted Under Interim Order.*

(a) Good Faith Under Section 364(e) of the Bankruptcy Code. The DIP Lender has acted in good faith in connection with this Interim Order, the DIP Facility and the DIP Term Sheet, and its reliance on this Interim Order is in good faith. Based on the findings set forth in this Interim Order and upon the record made at the Interim Hearing and during the Chapter 11 Case, the DIP Lender is entitled to the protections provided in section 364(e) of the Bankruptcy Code. If any or all of the provisions of this Interim Order or the DIP Term Sheet are hereafter reversed, modified, vacated or stayed by a subsequent judgment or order of this Court or any other court, any such reversal, stay, modification or vacatur shall not affect (i) the validity or enforceability of advances previously made hereunder or under the DIP Term Sheet by the DIP Lender to the Debtor, (ii) the validity or enforceability of any obligation, indebtedness or liability incurred under this Interim Order or the DIP Term Sheet by the Debtor to the DIP Lender, (iii) the validity,

enforceability, or perfection of any of the claims, liens, security interests, rights, privileges or benefits granted hereunder or under the DIP Term Sheet, or (iv) the payment of any fees, costs, expenses or other amounts, in the case of each of the foregoing, prior to the actual receipt of written notice by the DIP Lender, to be sent as of the effective date of such reversal, stay, modification, or vacatur. Notwithstanding any such reversal, stay, modification or vacatur, any such claim, lien, or security interest, right, privilege, remedy or benefit shall be governed in all respects by the original provisions of this Interim Order and the DIP Term Sheet.

(b) Survival. Notwithstanding anything contained herein or in the DIP Term Sheet to the contrary, the terms and provisions of this Interim Order and the DIP Term Sheet (including, without limitation, all of the claims, liens and security interests, rights, priorities, privileges, remedies, benefits, and protections granted to the DIP Lender under this Interim Order and the DIP Term Sheet), and any actions taken pursuant hereto or thereto, shall survive, shall continue in full force and effect, shall remain binding on all parties-in-interest, and shall be governed by the original provisions of this Interim Order and maintain their priorities as set forth in this Interim Order, and shall not be modified, impaired, or discharged by, entry of any order that may be entered (i) confirming any chapter 11 plan in the Chapter 11 Case, (ii) converting the Chapter 11 Case to a case under chapter 7 of the Bankruptcy Code, (iii) dismissing the Chapter 11 Case, (iv) pursuant to which the Court abstains from hearing the Chapter 11 Case, or (v) approving the sale or disposition of any DIP Collateral (except as expressly permitted in the DIP Term Sheet), in each case, until all of the DIP Obligations have been Paid in Full (unless the DIP Lender has otherwise agreed in writing).

(c) Dismissal/Conversion. If any order dismissing the Chapter 11 Case under section 1112 of the Bankruptcy Code or converting the Chapter 11 Case to a case under chapter 7

of the Bankruptcy Code otherwise is at any time entered, such order shall provide (in accordance with sections 105 and 349 of the Bankruptcy Code), that (i) all of the claims, liens and security interests, rights, priorities, privileges, remedies, benefits and protections granted to the DIP Lender hereunder and under the DIP Term Sheet shall continue in full force and effect and shall maintain their priorities as provided in this Interim Order until all DIP Obligations have been Paid in Full (and that all such claims, liens and security interests, rights, priorities, privileges, remedies, benefits and protections, notwithstanding such dismissal or conversion, remain binding on all parties in interest), and (ii) this Court shall retain jurisdiction, notwithstanding such dismissal or conversion, for the purposes of enforcing this Interim Order, the DIP Term Sheet, and all of the claims, liens and security interests, rights, priorities, privileges, remedies, benefits and protections granted to the DIP Lender.

30. *Loss or Damage to Collateral*. So long as the DIP Lender complies with its obligations under the DIP Term Sheet and does not engage in willful misconduct, gross negligence, or actual fraud in respect thereof, (a) the DIP Lender shall not, in any way or manner, be liable or responsible for (i) the safekeeping of the DIP Collateral, (ii) any loss or damage thereto occurring or arising in any manner or fashion from any cause, (iii) any diminution in the value thereof, or (iv) any act or default of any carrier, servicer, bailee, custodian, forwarding agency, or other person, and (b) all risk of loss, damage, or destruction of the DIP Collateral shall be borne solely by the Debtor.

31. *Proofs of Claim*. The DIP Lender shall not be required to file a proof of claim or request for payment of administrative expenses in the Chapter 11 Case or any Successor Case in order to assert claims for payment or otherwise in respect of the DIP Obligations. The Debtor's Stipulations, acknowledgments and provisions of this Interim Order are deemed sufficient to and

do constitute timely filed proofs of claim or request for payment of administrative expenses in respect of such claims arising under the DIP Documents against the Debtor. Any order entered by the Court establishing a bar date in the Chapter 11 Case or any Successor Case shall not apply to the DIP Lender or the DIP Obligations; *provided*, *however*, that, notwithstanding any order entered by the Court establishing a bar date in the Chapter 11 Case or any Successor Case to the contrary, the DIP Lender, in its sole discretion, may (but is not required to) file (and amend and/or supplement) a proof of claim and/or aggregate proofs of claim in the Chapter 11 Case and any Successor Case, and any such proof of claim may (but is not required to be) filed as one consolidated master proof of claim in the Debtor's Chapter 11 Case. Such consolidated or master proofs of claim shall not be required to attach any instruments, agreements or other documents evidencing the obligations owing by the Debtor to the applicable party, which instruments, agreements, or other documents will be provided upon reasonable written request to the DIP Lender, as the case may be. Any proof of claim filed by or on behalf of the DIP Lender shall be deemed to be in addition to (and not in lieu of) any other proof of claim that may be filed by any such persons. The provisions set forth in this paragraph are intended solely for the purpose of administrative convenience and shall not affect the substantive rights of any party-in-interest or their respective successors-in-interest.

32. *Limitation of Liability*. Nothing in this Interim Order, the DIP Term Sheet or any documents related thereto shall in any way be construed or interpreted to impose or allow the imposition upon the DIP Lender of any liability for any claim arising from, in connection with or related to the prepetition or postpetition activities of the Debtor or its affiliates in the operation of its business, its restructuring efforts or in connection with the administration of the Chapter 11 Case. In determining to make any loan or extension of credit or permit the use of Cash Collateral

under the DIP Term Sheet, the DIP Lender shall not (a) be deemed to be in control of the operations of the Debtor, (b) owe any fiduciary duty to the Debtor or its creditors, shareholders (or other equity or membership interest holders) or estate, or (c) be deemed to be acting as a "Responsible Person" or "Owner" or "Operator" with respect to the operation or management of the Debtor (as such terms or any similar terms are used in the United States Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S. §§ 9601 et seq., as amended, or any similar federal or state statute).

33. *Payments Free and Clear*. Subject to the Carve Out, any and all payments or proceeds remitted to the DIP Lender pursuant to the DIP Term Sheet, the other DIP Documents, this Interim Order, the Final Order (if and when entered) or any subsequent order of this Court shall be irrevocable (subject, solely in the case of certain professional fees, the fee review procedures set forth in paragraph 10 of this Interim Order), received free and clear of any claim, charge, assessment or other liability, including without limitation, any claim or charge asserted or assessed by, through or on behalf of the Debtor (subject to paragraph 24 hereof) or otherwise.

34. *Third Party Beneficiary*. Except as expressly set forth herein, no rights are created hereunder for the benefit of any third party, any creditor or any direct, indirect, or incidental beneficiary.

35. *Interim Order Controls*. In the event of any conflict or inconsistency between or among the terms or provisions of this Interim Order and the DIP Term Sheet, unless such term or provision in this Interim Order is phrased in terms of "defined in" or "as set forth in" the DIP Term Sheet, the terms and provisions of this Interim Order shall govern and control.

36. *Effectiveness*. This Interim Order shall constitute findings of fact and conclusions of law in accordance with Bankruptcy Rule 7052 and shall take effect and be fully enforceable

effective as of the Petition Date immediately upon entry hereof. Notwithstanding Bankruptcy Rules 4001(a)(3), 6004(h), 6006(d), 7062, or 9014, any Local Rule, or Rule 62(a) of the Federal Rules of Civil Procedure, this Interim Order shall be immediately effective and enforceable upon its entry and there shall be no stay of execution or effectiveness of this Interim Order.

37. *Bankruptcy Rules*. The requirements of Bankruptcy Rules 4001, 6003, and 6004, in each case to the extent applicable, are satisfied by the contents of the Motion.

38. *Headings*. Section headings used herein are for convenience only and are not to affect the construction of or to be taken into consideration in interpreting this Interim Order. When used in this Interim Order, the word "including" shall not imply limitation.

39. *Necessary Action*. The Debtor is authorized to take any and all such actions as are necessary, required, or appropriate to implement and effectuate the terms of this Interim Order, the DIP Term Sheet and the transactions contemplated hereunder and thereunder.

40. *Retention of Jurisdiction*. The Court retains jurisdiction to hear, determine and, if applicable, enforce the terms of any and all matters arising from or related to the DIP Facility, the DIP Term Sheet, and this Interim Order.

41. *Final Hearing*. The Final Hearing shall be held on July 21, 2026 at 1:00 p.m. (prevailing Eastern Time), and any objections to the final relief sought in the Motion shall be filed with the Court no later than July 14, 2026 at 4:00 p.m. (prevailing Eastern Time) and served upon the following: (a) counsel to the DIP Lender, (i) Norton Rose Fulbright US LLP, 1301 Avenue of the Americas, New York, New York 10019, Attn: Robert M. Hirsh (robert.hirsh@nortonrosefulbright.com), James A. Copeland (james.copeland@nortonrosefulbright.com), and Emily Hong (emily.hong@nortonrosefulbright.com) and (ii) Ice Miller LLP, 500 Delaware Avenue, Suite 220,

Wilmington, Delaware 19801, Attn: Aaron H. Stulman (aaron.stulman@icemiller.com); (b) proposed counsel to the Debtor, (i) Cooley LLP, 55 Hudson Yards, New York, New York 10001, Attn: Cullen Drescher Speckhart (cspeckhart@cooley.com) and Lauren A. Reichardt (lreichardt@cooley.com) and (ii) Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, Delaware 19801, Attn: Daniel J. DeFranceschi (defranceschi@rlf.com), Amanda R. Steele (steele@rlf.com), and Brendan J. Schlauch (schlauch@rlf.com); and (c) Office of the U.S. Trustee, U.S. Department of Justice, 844 N. King St., Rm. 2207, Wilmington, DE 19801 Attn: Linda J. Casey (linda.casey@usdoj.gov).

42. *Notice of Entry of Interim Order*. The Debtor shall serve in accordance with Local Rule 9013-1(m)(iv) copies of this Interim Order to the parties that have been given notice of the Interim Hearing, to any party that has filed a request for notices with this Court and to the Committee (if appointed).

Dated: June 25th, 2026
Wilmington, Delaware

CRAIG T. GOLDBLATT
UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

DIP Term Sheet

Execution Version

June 22, 2026

Sangamo Therapeutics, Inc., *et al.*
$30,000,000
Debtor-in-Possession Term Loan Facility
Summary of Terms and Conditions

This term sheet (together with the exhibits and schedules hereto, this "Term Sheet") sets forth a summary of the terms and conditions with respect to the DIP Facility (as defined below) from and after, and subject to, the entry of the DIP Orders (as defined below). This Term Sheet shall be a binding agreement between the DIP Lender and Loan Parties from and after execution, subject to the entry of the Interim Order with respect to the DIP Facility (as defined below), but does not purport to summarize all of the terms, conditions, representations and other provisions with respect to the DIP Facility, which will be set forth in the DIP Documents (as defined below). The obligation of the DIP Lender (as defined below) to provide financing pursuant to this Term Sheet is conditioned upon the execution and delivery of signature pages to this Term Sheet by each of the parties hereto and shall be subject to the conditions precedent and other terms and conditions set forth herein. In the event of any conflict between this Term Sheet and the terms of the Interim Order or the Final Order (in each case, as defined below), the terms of the DIP Orders, as applicable, shall govern.

This Term Sheet is a binding and enforceable agreement to the extent provided under title 11 of the United States Bankruptcy Code (the "Bankruptcy Code"), subject to entry of the DIP Orders with respect to the Debtor, with respect to the subject matter contained herein, including an agreement to negotiate in good faith the DIP Documents by the parties hereto in a manner consistent with this Term Sheet, it being acknowledged and agreed that the funding or availability of the DIP Facility is subject to the applicable conditions precedent set forth in this Term Sheet and, as applicable, the other DIP Documents.

1.	***Borrower and Guarantors***	• **Borrower**: Sangamo Therapeutics, Inc. ("**Sangamo**" or "**Borrower**"). • **Guarantors**: All obligations under the DIP Facility will be guaranteed as a guaranty of collection only by each of Borrower's direct and indirect subsidiaries and affiliates (collectively, the "**Guarantors**" and each a "**Guarantor**" and together with the Borrower, the "**Loan Parties**" and each a "**Loan Party**"). • Sangamo is expected to be a debtor and debtor-in-possession in its anticipated bankruptcy case (such case, the "**Chapter 11 Case**," and in such capacity, the "**Debtor**") under chapter 11 of title 11 of the United States Code (the "**Bankruptcy Code**") to be commenced in the United States Bankruptcy Court for the District of Delaware (the "**Bankruptcy Court**") on or about June 23, 2026 (such date, the "**Petition Date**").
2.	***DIP Lender***	• Northridge ATM, LLC ("**Northridge**") and its subsidiaries, affiliates, designees, and assignees (together with Northridge, the "**DIP Lender**").
3.	***Type and Amount of the DIP Facility***	• A non-amortizing super-priority senior secured term loan facility in an aggregate principal amount not to exceed $30,000,000 in term loan commitments (the "**DIP Facility**"; the DIP Lender's commitments under the DIP Facility, the "**DIP Commitments**" and the loans made pursuant to the DIP Facility, the "**DIP Loans**").

		• The borrowing of DIP Loans shall permanently decrease the DIP Commitments on a dollar-for-dollar basis, and DIP Loans repaid may not be reborrowed. • The Initial Draw (as defined below) shall be funded into the DIP Bank Account (as defined below) and shall be used solely in accordance with the DIP Orders and the Budget, subject to the Permitted Variance (in each case, as defined below). • DIP Loan proceeds shall be funded into a segregated Bank Account to be opened or otherwise designated by the Borrower (the "**DIP Bank Account**") and the Loan Parties shall obtain a satisfactory control agreement in favor of the DIP Lender to be entered into within thirty (30) days after the entry of the Final Order, subject to a 30-day cure period if the Loan Parties are using commercially reasonable efforts to obtain a satisfactory control agreement; provided that the Carve-Out (as defined below) shall be funded as described in the order, in form and substance acceptable to the DIP Lender, approving, on an interim basis, the DIP Facility and this Term Sheet (the "**Interim Order**").
4.	***Interim Approval and Availability***	• Upon the Bankruptcy Court's entry of the Interim Order, and satisfaction of all applicable conditions precedent described in Section 15 herein, the DIP Lender shall make available an aggregate amount of up to $10,500,000 (the "**Interim Amount**") in DIP Loans. The Borrower shall be entitled to make a draw of the DIP Loans as described in Section 6 below immediately upon entry of the Interim Order (the first draw under the DIP Facility, the "**Initial Draw**" and each draw after the Initial Draw, if any, an "**Other Draw**" and collectively, the "**Other Draws**," and together with the Initial Draw, the "**Draws**" and each a "**Draw**"). The closing of definitive DIP Documents (such date shall be referred to herein as the "**Closing Date**") shall occur as soon as reasonably possible after the entry of the Final Order, but in any event no later than two (2) business days thereafter unless the DIP Lender agrees otherwise.
5.	***Final Approval***	• Upon (i) the Bankruptcy Court's entry of the Final Order and (ii) the satisfaction of all applicable conditions described in Sections 15 and 16 herein (or, as the case may be, the other applicable DIP Documents), the full amount of the DIP Facility shall be available to the Debtor, subject to compliance with the terms, conditions, and covenants described in the DIP Documents.
6.	***Draws***	• Subject to satisfaction of all conditions to the Initial Draw or Other Draws set forth in Sections 15 and 16 below, as applicable, the Borrower shall be entitled to make Draws of the DIP Loans solely in accordance with the Budget, up to the amount of the undrawn DIP Commitments. • The Initial Draw shall be made within two (2) business days after entry of the Interim Order. Each Other Draw shall be made (in an aggregate minimum amount of $5,000,000 and, thereafter, in multiples thereof) upon three (3) business days' written notice (or such shorter period as agreed to by the DIP Lender in its sole discretion), up to the aggregate

		amount of the available undrawn DIP Commitments at any time prior to the date that is three business days before the DIP Termination Date (as defined below).
7.	***Maturity and Termination***	• All DIP Obligations (as defined below) shall be due and payable in full in cash ("**Payment in Full**"[1] or such other form of consideration as the DIP Lender and the Borrower may mutually agree) on the earliest of the following (such earliest date, the "**DIP Termination Date**"): i. December 30, 2026; ii. the effective date of any chapter 11 plan with respect to the Borrower (a "**Plan**"); iii. the consummation of the sale or other disposition of all or substantially all of the assets of the Loan Parties pursuant to section 363 of the Bankruptcy Code; provided, however, that, for the avoidance of doubt, the consummation of either the transaction contemplated by the Merope APA or the transactions contemplated by the Lumos APA, in each case individually, shall not constitute a sale or other disposition of all or substantially all of the assets of the Loan Parties; iv. the date of the acceleration of the DIP Loans and the termination of the DIP Commitments following the occurrence and during the continuation of an Event of Default (as defined below and, as applicable, in the DIP Documents) in accordance with the DIP Documents; v. dismissal of the Chapter 11 Case, conversion of the Chapter 11 Case into a case under chapter 7 of the Bankruptcy Code, or the appointment of a trustee or examiner in the Chapter 11 Case; and vi. thirty-five (35) days after the Petition Date, unless the Final Order has been entered by the Bankruptcy Court on or prior to such date, unless otherwise extended in writing by the DIP Lender in its sole discretion. • The occurrence of the DIP Termination Date shall terminate the ability of the Borrower to borrow under the DIP Facility and use any proceeds thereof (other than the Carve-Out), including Cash Collateral (as defined in the DIP Orders) and shall terminate the DIP Commitments and any further obligation the DIP Lender has to make any DIP Loans under the DIP Documents.
8.	***Interest Rate***	• The DIP Loans shall bear interest at a per annum rate equal to twelve percent (12.0%) payable in cash on the first business day of each month in arrears (the "**Non-Default Interest**").

[1] For purposes hereof, the term "**Payment in Full**" or, as applicable, "**Paid in Full**," means, with respect to the DIP Obligations, the irrevocable and indefeasible payment in full in cash of all DIP Obligations, other than continuing indemnification and expense reimbursement obligations for which no claim or demand has been asserted, and all commitments thereunder shall have irrevocably, permanently, and finally expired or shall have been terminated, cancelled, and discharged.

		• Notwithstanding the foregoing, after the occurrence and during the continuance of an Event of Default, the DIP Loans shall bear interest at an additional per annum rate of two percent (2.0%), in each case payable in cash, together with the Non-Default Interest, on the first day of each month in arrears.
9.	***DIP Fees***	• **Commitment Fee**. The Borrower shall pay to the DIP Lender a commitment fee equal to two percent (2.0%) of the total amount of the DIP Commitments (the "**Commitment Fee**"), which Commitment Fee shall be approved on a final basis, fully earned, and allowed, non-refundable and not be subject to reduction, setoff, or recoupment for any reason upon entry of the Interim Order and shall be payable out of the proceeds of the Initial Draw or cash on hand within two (2) business days after the entry of the Interim Order. The Commitment Fee shall be paid in cash to the DIP Lender promptly after the Bankruptcy Court's entry of the Interim Order, but in no event shall the Commitment Fee be paid later than the date that is two (2) business days after the entry of the Interim Order. • **Exit Fee**. The Borrower shall pay to the DIP Lender an exit fee in the amount of five percent (5.0%) of the total amount of the DIP Commitments (the "**Exit Fee**"), which Exit Fee shall be approved on a final basis, fully earned, and allowed, non-refundable and not be subject to reduction, setoff, or recoupment for any reason upon entry of the Interim Order. The Exit Fee shall be due and payable in cash upon the earliest of (i) the DIP Termination Date, (ii) Payment in Full of the DIP Obligations, and (iii) on a *pro rata* basis for any Mandatory Prepayment or Voluntary Prepayment of the DIP Obligations; provided, however, that, if the DIP Termination Date has occurred solely as a result of the occurrence and continuation of an Event of Default under the DIP Documents, then the Exit Fee shall not be payable until the DIP Obligations have been accelerated by the DIP Lender. • **Work Fee**. Sangamo paid to the DIP Lender (or its counsel) a work fee in the amount of $75,000 (the "**Work Fee**"), which Work Fee shall be fully earned, non-refundable, and allowed upon execution of this Term Sheet. The Interim Order shall provide that the Work Fee shall be approved on a final basis, fully earned and allowed, non-refundable and not be subject to reduction, setoff or recoupment for any reason. The Work Fee was paid in cash to the DIP Lender's counsel before the Petition Date and the DIP Lender acknowledges and agrees that the Work Fee was received by its counsel on June 15, 2026. Any unused amount of the Work Fee shall be carried forward to offset legal expenses of the DIP Lender during the case. • The Commitment Fee, the Exit Fee, and the Work Fee shall be approved on a final basis by the Bankruptcy Court as set forth above as part of the Interim Order. If such fees are not approved on a final basis by the Bankruptcy Court and paid as set forth herein, this Term Sheet and any applicable DIP Documents shall automatically terminate and be of no further force and effect. For the avoidance of doubt, the Commitment Fee and the Exit Fee, to the extent earned and payable under the DIP

		Documents, shall be payable even if the DIP Facility (including any portion of the DIP Commitments) is never drawn. • If the Interim Order is not entered by the Bankruptcy Court within five (5) business days after the Petition Date, this Term Sheet and any applicable DIP Documents shall automatically terminate and be of no further force and effect.
10.	***Use of Proceeds***	• The proceeds of the DIP Facility and/or the DIP Collateral (as defined below) shall be used only for the following purposes and, excluding payments pursuant to clauses (ii), (iii), and (iv) below, subject to the Budget and the Permitted Variance: i. working capital and other general corporate purposes of the Loan Parties; ii. professional fees and expenses of the Debtor's estates in administering the Chapter 11 Case (including fees incurred prior to the Closing Date) in accordance with the Budget (including Permitted Variances), the Bankruptcy Code, and any orders of the Bankruptcy Court, as applicable; iii. fees and expenses payable under the DIP Facility, including, without limitation, the Commitment Fee, the Exit Fee, the Work Fee, and professional fees and expenses of the DIP Lender (including legal fees and expenses incurred prior to the Closing Date); iv. interest and other amounts payable under the DIP Facility and the DIP Documents; and v. any other purpose not prohibited by the DIP Orders. • Notwithstanding any other provision of this Term Sheet, no DIP Loans, DIP Collateral, or proceeds of the foregoing (including, for the avoidance of doubt, any portion of the Carve-Out), may be used directly or indirectly by any Debtor, the official committee of unsecured creditors in the Chapter 11 Case (the "**Committee**"), any other official committee appointed in the Chapter 11 Case, any trustee or examiner appointed in the Chapter 11 Case or any successor cases (including a chapter 7 case), or any other Person, party, or entity (each of the following, a "**Restricted Use**"): i. in connection with the investigation, initiation or prosecution of any claims, causes of action, adversary proceedings, litigation, challenge, objection, or other proceeding: a. against the DIP Lender or its predecessors-in-interest, successors, assigns, agents, affiliates, representatives, attorneys, or advisors, or any action purporting to do the foregoing in respect of the DIP Obligations, DIP Liens (as defined below), DIP Claims (as defined below), or any other term, condition, or aspect of the DIP Facility; or

		b. challenging the amount, validity, perfection, priority or enforceability of or asserting any defense, counterclaim or offset to, the DIP Obligations and/or the liens, claims, rights, or security interests granted under the DIP Orders or the other DIP Documents, including, in each case, without limitation, for lender liability or pursuant to section 105, 510, 544, 547, 548, 549, 550, or 552 of the Bankruptcy Code, applicable non-bankruptcy law, or otherwise; ii. to prevent, hinder, or otherwise delay the DIP Lender's enforcement or realization on the DIP Obligations, DIP Collateral, and the liens, claims, and rights granted to such parties under the DIP Orders, each in accordance with the DIP Documents and the DIP Orders, as applicable; provided, however, that this shall not apply to a challenge to whether a DIP Termination Event has occurred or is continuing in accordance with the DIP Orders and/or the propriety of the DIP Lender's termination and/or acceleration of the DIP Obligations or calculation of the amounts owed thereunder; iii. to use or seek to use DIP Collateral or sell or otherwise dispose of DIP Collateral without the consent of the DIP Lender, which shall not be unreasonably conditioned or delayed; iv. to seek to modify any of the rights and remedies granted to the DIP Lender under the DIP Orders (other than with the consents contemplated thereunder), the DIP Documents, or applicable law; or v. to apply to the Bankruptcy Court for authority to approve claims or grant liens (other than the Carve-Out) or security interests in the DIP Collateral or any portion thereof that are senior to, or on parity with, the DIP Liens, DIP Claims, unless permitted under the DIP Documents or unless all DIP Obligations and claims granted to the DIP Lender under the DIP Orders have been refinanced with the DIP Lender's consent or Paid in Full in cash or otherwise agreed to in writing by the DIP Lender in its sole discretion.
11.	***Voluntary and Mandatory Prepayments***	• **Voluntary Prepayments**. Optional prepayments of the DIP Loans shall be permitted at any time, subject to (i) allocation of such payment to the ratable portion of the Exit Fee due thereon (which, for the avoidance of doubt, shall be deemed to be due and payable on the date of such voluntary prepayment), (ii) accrued interest on the amount prepaid, and (iii) in minimum amounts of at least $1,000,000 of principal.

		• **Mandatory Prepayments**. i. **Dispositions**. Within one (1) business day of the date of receipt by any Loan Party of the Net Cash Proceeds[2] of any disposition (whether through a voluntary or involuntary sale, the loss, destruction, or damage thereof or any actual condemnation, confiscation, requisition, seizure, or taking thereof or otherwise) of DIP Collateral (which, for the avoidance of doubt, shall exclude the disposition of other DIP Collateral in the ordinary course of business), such Loan Party shall prepay such portion of the outstanding amount of the DIP Obligations in accordance with the applicable DIP Documents in an amount equal to 100% of the Net Cash Proceeds (including applicable insurance proceeds, condemnation awards, and payments in lieu thereof) received in connection with such sales or dispositions. Such Net Cash Proceeds shall be applied to the repayment of principal, accrued interest, and the allocable portion of the Exit Fee. ii. **Indebtedness**. Within one (1) business day of the date on which a Loan Party receives proceeds of any indebtedness (other than permitted indebtedness set forth in the applicable DIP Documents), such Loan Party shall prepay the outstanding principal amount of the DIP Obligations in accordance with the applicable DIP Documents in an amount equal to 100% of the Net Cash Proceeds received by such Person in connection with the incurrence of such indebtedness, plus the accrued interest and Exit Fee as applied to the principal amount of such prepayment. • No reinvestment of the net proceeds of any asset sales or other proceeds described above shall be permitted without the prior written consent of the DIP Lender in its sole discretion, which shall not be unreasonably conditioned or delayed.
12.	***Security***	• As security for the DIP Obligations, and effective upon entry of the Interim Order as to the Debtor and upon execution of this DIP Term Sheet as to non-Debtor Loan Parties, each Loan Party and its estate shall grant

[2] For purposes hereof, the term "**Net Cash Proceeds**" means, with respect to any sale or disposition of the DIP Collateral, in whole or in part, by any Person, the amount of cash proceeds received (directly or indirectly) from time to time (whether as initial consideration or through the payment of deferred consideration) by or on behalf of such Person, in connection therewith, after deducting therefrom only (a) estimated fees, commissions, and expenses related thereto and required to be paid in connection with such sale or disposition, including any bid protections payable pursuant to an Acceptable Stalking Horse Purchase Agreement, (b) estimated taxes paid or payable to any taxing authorities in connection with such sale or disposition, in each case, only to the extent, that the amounts so deducted are properly attributable to such transaction and (c) any escrow or reserve for any adjustment in respect of the sale price of such asset or assets and indemnification payments (fixed or contingent) attributable to seller's indemnities and representations and warranties to purchaser in respect of the applicable sale or disposition or other liabilities in connection with such sale or disposition (provided that upon release of any such escrow or reserve, the amount released shall be considered Net Cash Proceeds). Moreover, for the purposes hereof, the term "**Person**" means any natural person, corporation, limited liability company, limited partnership, general partnership, limited liability partnership, joint venture, trust, land trust, business or statutory trust, or other organization, irrespective of whether constituting a separate legal entity, and governments and agencies and political subdivisions thereof.

		to the DIP Lender, subject to the priorities set forth in Section 13 below and the DIP Orders (as applicable), liens on all of such Loan Party's and its estate's right, title, and interest in, to and under such Loan Party's and its estate's assets and property, in each case, whether now owned or existing or hereafter acquired, created or arising and wherever located, including, but not limited to, the following (all such assets and property collectively referred to as the "**DIP Collateral**"): (i) all Cash Collateral, all contracts (including, without limitation, any Acceptable Stalking Horse Purchase Agreement (as defined below)), contract rights, licenses, general intangibles (including, without limitation, all payment intangibles), instruments (including, without limitation, promissory notes), equipment (including, without limitation, documents of title), accounts, documents, goods, vehicles, inventory, furniture, fixtures, commercial tort claims, cash, cash equivalents, accounts receivables, chattel paper, letters of credit and letter of credit rights, securities (whether or not marketable), limited liability company interests, and investment property (including, without limitation, all of the issued and outstanding capital stock of each Loan Party's current and future subsidiaries (including the Foreign Subsidiaries), all securities accounts and security entitlements related thereto, and financial assets carried therein, and all commodity accounts and commodity contracts), guarantees, arbitration awards, money, rights to the payment of money (including, without limitation, tax refunds and any other extraordinary payments), insurance, receivables, receivables records, securities accounts, deposit accounts, collateral support, supporting obligations and instruments, all interests in leaseholds and real properties, all patents, copyrights, trademarks, service marks, all trade names and other intellectual property (whether such intellectual property is registered in the United States or in any foreign jurisdiction), and all substitutions, indemnification rights, all present and future intercompany debt, fee interests in real property owned by a Loan Party, books, records, ledger cards, files, correspondence, customer lists, blueprints, technical specifications, manuals, computer software, computer printouts, tapes, disks, and other electronic storage media and related data processing software related to the foregoing, and all proceeds, products, accessions, rents and profits of or in respect of any of the foregoing, including insurance proceeds or other proceeds (as such terms are defined in the Uniform Commercial Code as in effect from time to time in the State of New York); (ii) all causes of actions under section 549 of the Bankruptcy Code to recover any postpetition transfer of DIP Collateral and any proceeds thereof; and (iii) all Avoidance Actions[3] and any proceeds thereof, recoveries related thereto, and property received or recovered on account thereof. Notwithstanding anything to the contrary set forth in this Term Sheet, in no event shall any Loan Party be required to deliver any

[3] The term "**Avoidance Actions**" means any and all avoidance, recovery, subordination or other claims, actions or remedies that may be brought by or on behalf of any Debtor or its estate or other authorized parties in interest under the Bankruptcy Code or other applicable law, including, without limitation, actions or remedies under sections 544, 545, 547, 548, and 550 of the Bankruptcy Code or under similar or related state or federal statutes and common law, including, without limitation, fraudulent transfer laws.

		security agreement or any other DIP Document that is governed by any non-United States jurisdiction. • The Loan Parties represent and warrant to the DIP Lender that, subject to Bankruptcy Court approval (as applicable), the Loan Parties have full right and power to grant to the DIP Lender perfected security interest and liens, on their respective interests in the DIP Collateral. • Negative pledge on all assets of the Loan Parties subject to the Carve-Out, under the DIP Documents. • In addition to appropriate orders of the Bankruptcy Court granting and perfecting such liens, the Loan Parties shall take all other commercially reasonable steps regarding the execution and filing of UCC financing statements, requested by DIP Lender.
13.	***Priority and Security***	• Subject to only the Carve-Out and Permitted Liens (as to be defined in the DIP Credit Agreement), all obligations of the Loan Parties under the DIP Documents, including, without limitation, all principal, accrued interest, costs, fees and premiums provided for therein, and all obligations of the Loan Parties under the DIP Facility (the "**DIP Obligations**") shall be entitled to, as applicable, (i) a first-priority lien, (ii) a senior first-priority lien on unencumbered assets and property, and (iii) superpriority claim status pursuant to sections 364(c) and 364(d) of the Bankruptcy Code, with senior priority over any and all liens and secured claims, administrative-expense claims, other priority claims, and other unsecured claims, of any kind or nature whatsoever, now existing or hereafter arising under the Bankruptcy Code (such superpriority claims, the "**DIP Claims**"); provided, however, that the DIP Claims shall not have priority over any bid protections approved by the Bankruptcy Court in the Chapter 11 Case. • Subject to the Carve-Out, all DIP Obligations in respect of the DIP Facility shall be, at a minimum: i. entitled to superpriority claim status in the Chapter 11 Case pursuant to section 364(c)(1) of the Bankruptcy Code (which claims shall be payable from and have recourse to all DIP Collateral); ii. secured, pursuant to section 364(c)(2) of the Bankruptcy Code, by a valid, enforceable, fully perfected and automatic first-priority lien on all DIP Collateral that is not subject to a valid, perfected, non-avoidable lien or security interest (including any such lien or security interest that is perfected after the Petition Date as permitted by section 546(b) of the Bankruptcy Code); and iii. secured, pursuant to section 364(d)(1) of the Bankruptcy Code, by an automatically perfected first-priority lien on all DIP Collateral that is subject to a valid, perfected, non-avoidable lien or security interest (including any such liens or security interests that are perfected after the Petition Date as permitted by section 546(b) of the Bankruptcy Code).

		• The liens securing the DIP Facility (the "**DIP Liens**") shall mean the liens described above and with the priority set forth in the DIP Orders. The DIP Liens described herein shall, to the fullest extent permitted by applicable law, be automatically effected and perfected upon entry of the Interim Order and without the necessity of the execution or filing of mortgages, landlord agreements, security agreements, pledge agreements, control agreements, financing statements, or other agreements. • Notwithstanding anything herein to the contrary, upon consummation of a sale pursuant to an Acceptable Stalking Horse Purchase Agreement, the DIP Liens shall automatically be released from the applicable acquired assets that are DIP Collateral without the need for further action, consent, or documentation from the DIP Lender, and the DIP Lender shall be deemed to consent to the release of such DIP Liens pursuant to section 363(f)(2) of the Bankruptcy Code
14.	***Remedies and Waiting Period Procedures***	• Upon the occurrence and during the continuation of an Event of Default under this Term Sheet or any other DIP Document, the DIP Lender shall be entitled to exercise any and all remedies customarily available in the Chapter 11 Case, including, without limitation, those remedies customarily available to a senior secured, administrative expense claim of a debtor-in-possession lender, which shall include, without limitation, the right to (subject to the Carve-Out): i. declare that the DIP Commitments are terminated, reduced or restricted, whereupon the DIP Commitments shall be terminated, reduced, or restricted on account of any further Draws; ii. declare the unpaid amount of the DIP Obligations to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Loan Parties; iii. charge interest at the default rate under the DIP Documents; iv. subject to the Carve-Out, declare the termination, restriction, or revocation of the ability of the Debtor to use Cash Collateral; or v. take any other action or exercise any other right or remedy (including, without limitation, with respect to the DIP Liens) permitted under the DIP Documents or applicable law. Any exercise of remedies by the DIP Lender shall be subject in all respects to the terms of the DIP Orders, including the following procedures (the "**Waiting Period Procedures**"): i. Upon the occurrence of a DIP Termination Event (as defined in the DIP Orders), of which written notice (including via email) of the occurrence of such DIP Termination Event is delivered by the DIP Lender to counsel for the Debtor, the U.S. Trustee, and counsel for the Committee (the "**Remedies Notice**" and such date, the "**DIP Termination Declaration Date**"), without further notice to, hearing of, application to,

		or order from the Bankruptcy Court, subject to the expiration of the Waiting Period (as defined below), the automatic stay provisions of section 362 of the Bankruptcy Code shall be vacated and modified to the extent necessary to permit the DIP Lender to, among other things, (a) deliver a Carve-Out Trigger Notice; (b) declare the termination of the DIP Commitments; (c) declare all DIP Obligations to be immediately due and payable; and (d) charge default interest at the default rate set forth in the DIP Term Sheet or the other DIP Documents, as applicable. ii. The Debtor may seek an emergency hearing solely during the period beginning on the DIP Termination Declaration Date and through the date that is five (5) business days after the DIP Termination Declaration Date (such period, the "**Waiting Period**"). If, notwithstanding the foregoing, a hearing cannot be scheduled prior to the expiration of the Waiting Period, the Waiting Period shall be deemed automatically extended until such time as the matter can be heard by the Bankruptcy Court. At any hearing regarding a Remedies Notice, the Court may only consider whether an Event of Default has occurred or is continuing (other than, for the avoidance of doubt, the occurrence of the Maturity Date under the DIP Term Sheet). During the Waiting Period, the Debtor shall continue to have the right to use DIP Collateral (including, without limitation, Cash Collateral) in accordance with the terms of the Interim Order and the Approved Budget (subject to the Permitted Variance), solely to pay any expenses necessary to (i) preserve the Debtor's going-concern value or (ii) contest, in good faith, the occurrence of the Event of Default (other than, for the avoidance of doubt, the occurrence of the Maturity Date under the DIP Term Sheet).
15.	***Conditions Precedent to Initial Draw***	• Entry of the Interim Order on or before five (5) business days after the Petition Date, and no order has been entered reversing, amending, staying, vacating, terminating or otherwise modifying in any manner the Interim Order. • Delivery of a thirteen (13) week cash flow budget containing line items of sufficient detail to reflect the consolidated operating cash flow of the Debtor for such period and in form and substance acceptable to the DIP Lender in its sole discretion (such budget, the "**Initial Budget**" and, as updated from time to time in accordance with this Term Sheet, the "**Budget**"), it being understood that the budget attached to **Exhibit A** of this Term Sheet is acceptable to the DIP Lender. • All out-of-pocket costs, fees and expenses required to be paid to the DIP Lender pursuant to this Term Sheet (including the Commitment Fee), the DIP Documents, or the DIP Orders shall have been paid in accordance with this Term Sheet or the applicable DIP Documents, provided that the Commitment Fee and the DIP Lender's legal fees and expenses incurred as of the date of the Initial Draw (other than the Work Fee, which shall

		have been paid before the Petition Date) shall be paid out of the proceeds of the Initial Draw. • The representations and warranties of the Loan Parties under this Term Sheet and any other DIP Documents shall be true and correct in all material respects (or in the case of representations and warranties with a "materiality" qualifier, true and correct in all respects). • No Material Adverse Effect (as defined below) shall have occurred and be continuing. • The Debtor shall be in compliance in all material respects with the applicable DIP Documents (including the DIP Orders). • No Event of Default shall have occurred and be continuing under this Term Sheet or the DIP Documents. • The Borrower shall have delivered to the DIP Lender a customary borrowing notice in form and substance acceptable to the DIP Lender.
16.	***Conditions Precedent to Other Draws***	• The DIP Documents shall contain conditions precedent as are usual and customary in loan documents for similar debtor-in-possession financings and other conditions precedent deemed by the DIP Lender appropriate to the specific transaction, including, without limitation, that each Other Draw shall be subject the following conditions: i. no DIP Order, or any provision thereof, shall have been reversed, amended, stayed, vacated, terminated or otherwise modified in any manner without the DIP Lender's prior written consent in its sole discretion, which shall not be unreasonably conditioned or delayed; ii. delivery of, as applicable, any Budget or Updated Budget, acceptable to the DIP Lender in its reasonable discretion; iii. no trustee, examiner, or receiver shall have been appointed or designated with respect to any Loan Party or any Loan Party's business, properties, or assets; iv. the representations and warranties of the Loan Parties under the DIP Documents shall be true and correct in all material respects (or in the case of representations and warranties with a "materiality" qualifier, true and correct in all respects); v. the Borrower shall have delivered to the DIP Lender a customary borrowing notice in accordance with the DIP Documents; vi. the Loan Parties shall be in compliance in all material respects with the DIP Orders; vii. no default or event of default shall have occurred and be continuing under the DIP Documents; viii. no order has been entered reversing, amending, staying, vacating, terminating or otherwise materially modifying in any manner any DIP Order or any provision thereof unless otherwise consented to in writing by the DIP Lender in its

		sole discretion, which consent shall not be unreasonably conditioned or delayed; ix. since the date hereof, other than the pending Chapter 11 Case, there shall not have occurred or there shall not exist any event, condition, or circumstance that, individually, or in the aggregate, (a) has had or would reasonably be expected to have a material adverse effect on the business, operations, properties, assets, performance or financial condition of the Loan Parties taken as a whole, (b) has resulted in, or would reasonably be expected to result in, a material adverse effect on the validity or enforceability of, or the rights, remedies or benefits available to the DIP Lender, or (c) has had or would reasonably be expected to have, a material adverse effect on the ability of the Loan Parties to perform their obligations under any DIP Document (each of the foregoing being a "**Material Adverse Effect**"); x. all reasonable and documented out-of-pocket costs, fees, expenses (including, without limitation, legal fees and expenses) set forth in the DIP Documents or otherwise required to be paid to the DIP Lender shall have been paid when due; xi. if the Debtor has entered into, or the Bankruptcy Court shall have otherwise approved, an Acceptable Stalking Horse Purchase Agreement,[4] such Acceptable Stalking Horse Purchase Agreement shall be in full force and effect and shall not have been terminated, cancelled, amended, modified, or supplemented without the DIP Lender's prior written consent, which shall not be unreasonably conditioned or delayed; and xii. a granting to the DIP Lender of DIP Claims and DIP Liens to secure all DIP Obligations pursuant to the applicable provisions in sections 364(c) and 364(d) of the Bankruptcy Code shall have occurred and been approved by the Bankruptcy Court.

[4] For the purposes hereof, the term "**Acceptable Stalking Horse Purchase Agreement**" means one or more stalking horse purchase agreements, which in the aggregate, are for all or substantially all of the Debtor's assets(s) that (a) is executed, effective, and binding on all parties thereto and (b) either (x) is approved by the DIP Lender in its discretion or (y) (1) would generate cash proceeds sufficient for the Payment in Full of the DIP Obligations (pursuant to a signed commitment to lend acceptable to the DIP Lender from a recognized lender or another source of funding acceptable to the DIP Lender) upon the closing date of such sale, (2) closes on or before December 31, 2026, and (3) requires, pursuant to an order of the Bankruptcy Court, the Payment in Full of the DIP Obligations as set forth in foregoing subclause (1). For the avoidance of doubt, that certain *Asset Purchase Agreement*, dated as of June [22], 2026, by and among Sangamo, Merope Acquisition Sub, LLC and Eli Lilly and Company, a copy of which is attached hereto as **Exhibit B** (the "**Merope APA**") and that certain *Asset Purchase Agreement*, dated as of June [22], 2026, by and among Sangamo and [A] Gene Therapies, Inc., a copy of which is attached hereto as **Exhibit C** (the "**Lumos APA**"), shall each be deemed to be an Acceptable Stalking Horse Purchase Agreement for purposes of this Term Sheet.

17.	***Documentation***	• Definitive financing documentation with respect to the DIP Loans, including, without limitation, this Term Sheet, the DIP Orders, a credit agreement (the "**DIP Credit Agreement**"), and all definitive guaranties, security agreements, and other documents executed pursuant hereto or thereto (collectively, the "**DIP Documents**"), shall be mutually agreed upon by the Loan Parties, and in form and substance acceptable to the DIP Lender.
18.	***Representations and Warranties***	• The DIP Documents shall contain representations and warranties with respect to the Loan Parties as are usual and customary in loan documents for similar debtor-in-possession financings and as acceptable to the DIP Lender and the Loan Parties, including without limitation, due organization and authorization, enforceability, financial condition, no material adverse changes or effects, title to properties, liens, litigation, payment of taxes, compliance with laws and regulations, employee benefit liabilities, environmental liabilities, and perfection and priority of liens securing the DIP Facility. • Each Loan Party represents and warrants that none of its assets and properties are subject to any valid, perfected liens, security interests or encumbrances as of the Petition Date, other than the Existing Liens set forth in **Exhibit D**. No liens, security interests, or encumbrances will be created on or after the Petition Date except, in each case, the Carve-Out and as expressly permitted under the DIP Documents.
19.	***Affirmative Covenants***	• The DIP Documents shall contain affirmative covenants as are usual and customary with respect to the Loan Parties in loan documents for similar debtor-in-possession financings and as are acceptable to the DIP Lender and the Loan Parties.
20.	***Negative Covenants***	• The DIP Documents shall contain negative covenants with respect to the Loan Parties as are usual and customary in loan documents for debtor-in-possession financings and as are acceptable to the DIP Lender and the Loan Parties.
21.	***DIP Budget / Variance Reporting***	• The Budget may from time to time (and, on the fifth Thursday following the prior Budget's approval and every fifth Thursday thereafter shall) be updated and provided to the DIP Lender, with such updated Budget extending the term thereof (the "**Updated Budget**") and the DIP Lender shall have the right to reject, in its reasonable discretion, each Updated Budget by providing the Borrower specific notice thereof within three (3) business days after the delivery by the Borrower of any such Updated Budget and, to the extent the DIP Lender (in its reasonable discretion) provides written notice rejecting the updates (or any amendments), the then existing Budget shall continue to constitute the applicable Budget until such time as an update or amendment is approved by the DIP Lender (in its reasonable discretion). In the event the DIP Lender does not provide written notice of its rejection of the proposed Updated Budget within such three-business-day period, such Updated Budget shall become effective as the Budget. • On a weekly basis after the delivery of the first Updated Budget, the Borrower shall deliver to the DIP Lender a variance report for the four-

		week period ending the prior Thursday comparing the difference/variance, expressed as a percentage (each, a "**Budget Variance**"), between actual net operating cash flow for such period to projected net operating cash flow for such period as set forth in the Budget on a cumulative four-week rolling basis (each a "**Measuring Period**") and explaining in reasonable detail all material variances, it being understood that any Net Operating Variance (as defined below) solely with respect to net operating cash flow that exceeds fifteen percent (15%) shall be material and shall constitute an Event of Default under the DIP Documents (each such report, a "**Variance Report**," which shall be in a form reasonably acceptable to the DIP Lender). • For purposes of each Measuring Period, the Borrower shall calculate: the numerical difference between "net operating cash flow" (such terms reflecting those line items illustrated in the Budget) for such period to "net operating cash flow" for such period as set forth in the Budget on a cumulative four-week rolling basis, and to the extent the difference is a positive number, the percentage such difference is of the cumulative budgeted amount for such period (the "**Net Operating Variance**"). For purposes herein, a "**Permitted Variance**" shall be limited to not greater than fifteen percent (15%) for budget variances with respect to the Net Operating Variance, each as set forth in the applicable Variance Report. For the avoidance of doubt, United States Trustee fees, professional fees of the DIP Lender (to the extent reimbursed) and the Loan Parties, and certain other administrative expenses to be agreed, shall not be included in the Net Operating Variance calculation.
22.	***DIP Orders***	• The Interim Order and the order approving, on a final basis, the DIP Facility (the "**Final Order**" and together with the Interim Order, the "**DIP Orders**"), which, in each case, shall be in form and substance acceptable to the DIP Lender in its sole discretion, shall, among other things, authorize and approve: i. the DIP Facility; ii. the making of the DIP Loans in accordance with the DIP Documents; iii. the Debtor's stipulations, in form and substance acceptable to the DIP Lender; iv. the granting of the DIP Claims and DIP Liens against, as applicable, the Loan Parties, their estates, and their assets in accordance with this Term Sheet and the DIP Documents with respect to the DIP Collateral; v. the payment of all fees and expenses (including the fees and expenses of outside counsel and any financial advisors) required to be paid to the DIP Lender as described in Section 25 of this Term Sheet (provided that the DIP Lender's legal fees and expenses incurred as of the date of the Initial Draw (other than the Work Fee) shall be paid out of the proceeds of the Initial Draw);

		vi. the payment of the Exit Fee as set forth in Section 9, which Exit Fee payment shall not be subject to reduction, setoff or recoupment for any reason, and shall be fully earned, and allowed upon entry of the DIP Orders as set forth above; and vii. the Debtor's waiver of (a) any right to surcharge the DIP Collateral pursuant to sections 105(a) and 506(c) of the Bankruptcy Code or otherwise, (b) the equities of the case exception under section 552(b) of the Bankruptcy Code, and (c) the equitable doctrine of marshaling and other similar doctrines, in each case, with respect to the DIP Collateral and the DIP Obligations.
23.	***Carve-Out***	• The DIP Liens and the DIP Claims shall be subject and subordinated only to the Carve-Out. • As used herein, the "**Carve-Out**" means the sum of (i) all fees required to be paid to the Clerk of the Court and to the Office of the United States Trustee under section 1930(a) of title 28 of the United States Code plus interest at the statutory rate; (ii) all reasonable fees and expenses up to $50,000 incurred by a trustee under section 726(b) of the Bankruptcy Code; (iii) to the extent allowed at any time, whether by interim order, procedural order, or otherwise, all unpaid fees and expenses incurred by Persons or firms retained by the Debtor pursuant to section 327, 328, or 363 of the Bankruptcy Code (collectively, the "**Debtor Professionals**") or the Committee, pursuant to section 328 or 1103 of the Bankruptcy Code (the "**Committee Professionals**" and, together with the Debtor Professionals, the "**Professional Persons**") at any time before or on the first business day following delivery by the DIP Lender of a Carve-Out Trigger Notice whether allowed by the Bankruptcy Court prior to or after delivery of a Carve-Out Trigger Notice, and subject to the fees and expenses set forth in the Budget (subject to the Permitted Variance), applicable transaction fees, and any other limits set forth in the DIP Orders; and (iv) allowed fees and expenses of Professional Persons in an aggregate amount not to exceed $2,500,000 incurred after the first business day following delivery by the DIP Lender of the Carve-Out Trigger Notice, to the extent allowed at any time, whether by interim order, procedural order, or otherwise (the amounts set forth in this clause (iv) being the "**Post-Carve-Out Trigger Notice Cap**" and, together with the amounts set forth in clause (iii) above, the "**Professional Fee Carve-Out Cap**"); provided that nothing herein shall be construed to impair the ability of any party to the DIP Documents to object to the fees, expenses, reimbursement or compensation described above on any grounds. The Debtor shall maintain a separate account not subject to control of the DIP Lender (the "**Carve-Out Account**") and may deposit cash weekly into the Carve-Out Account in an amount equal to the estimated fees of Professional Persons for the next unfunded week as set forth in the Budget. Immediately upon the delivery of a Carve-Out Trigger Notice (as defined below), and prior to the payment of any DIP Obligations, the Loan Parties shall be required to deposit into the Carve-Out Account cash (which disbursement shall be deemed approved under the DIP Documents) in an amount up to the difference between the Professional

		Fee Carve-Out Cap and the balance held in the Carve-Out Account as of the date on which a Carve-Out Trigger Notice is received by the Debtor (provided that if the available cash on hand at such time in not sufficient to fund the Professional Fee Carve-Out Cap in full, the Debtor shall be permitted to transfer additional funds to the Carve-Out Account at later dates as needed to fully fund the Carve-Out Account as and when such cash becomes available). The amounts in the Carve-Out Account shall be available only to satisfy allowed fees and expenses of the Professional Persons until such amounts are paid in full. The amount in the Carve-Out Account shall be reduced on a dollar-for-dollar basis for allowed fees and expenses of the Professional Person that are accrued and paid after the delivery of the Carve-Out Trigger Notice, and the Carve-Out Account shall not be replenished for such amounts so paid. The failure of the Carve-Out Account to satisfy in full the amount set forth in the Carve-Out shall not affect the priority of the Carve-Out. The DIP Lender shall have a reversionary interest, up to the Payment in Full of the DIP Obligations, in the funds held in the Carve-Out Accounts, if any, after all amounts included in the Carve-Out have been funded into the applicable Carve-Out Accounts and all allowed Professional Fees have been paid in full pursuant to a final order of the Bankruptcy Court. • For purposes of the foregoing, "**Carve-Out Trigger Notice**" shall mean a written notice delivered by mail, courier, or email (or other electronic means) by the DIP Lender or its counsel to the Debtor, their lead restructuring counsel, the United States Trustee, and counsel to the Committee, which notice may be delivered following the occurrence and during the continuation of an Event of Default and acceleration of the DIP Obligations under the DIP Facility, stating that the Post-Carve-Out Trigger Notice Cap has been invoked. • The Carve-Out shall not include, apply to, or be available for any Person or party in connection with any Restricted Use.
24.	***Events of Default***	• The DIP Documents shall contain events of default (collectively, "**Events of Default**") consistent with this Term Sheet and customary for debtor-in-possession financing facilities of this type, including, without limitation: i. non-payment, non-compliance with covenants set forth in the DIP Documents, judgments in excess of $1,000,000, impairment of security interest in the DIP Collateral and other customary defaults, subject to any applicable grace and/or cure periods to be agreed for non-payment defaults only and as are customary for transactions of this nature; ii. the entry of the Interim Order shall have not occurred on or before the date that is five (5) business days after the Petition Date, or the Interim Order or any provision thereof shall have been stayed, amended, modified, reversed, vacated, or in any way altered, in each case, to the extent not consented to by the DIP Lender; iii. the entry of the Final Order shall have not occurred on or before the date that is thirty-five (35) days after the Petition

			Date, or the Final Order or any provision thereof shall have been stayed, amended, modified, reversed, vacated, or in any way altered, in each case, to the extent not consented to by the DIP Lender;
		iv.	an Acceptable Stalking Horse Purchase Agreement is cancelled, terminated, amended, modified, or supplemented without the DIP Lender's consent, which shall not be unreasonably conditioned or delayed;
		v.	the dismissal of the Chapter 11 Case or the conversion of the Chapter 11 Case to a case under chapter 7 of the Bankruptcy Code;
		vi.	non-compliance, subject to any applicable grace and/or cure periods, by any Loan Party with the terms of the DIP Orders;
		vii.	the entry of an order appointing a receiver, trustee, responsible officer, or an examiner having expanded powers (beyond those set forth under sections 1106(a)(3) and (4) of the Bankruptcy Code) under section 1104 of the Bankruptcy Code (other than a fee examiner) in the Chapter 11 Case, or the Bankruptcy Court or other court shall have entered an order providing for such appointment;
		viii.	the entry of an order in the Chapter 11 Case granting relief from any stay or proceeding (including, without limitation, the automatic stay) so as to allow a third party to proceed with foreclosure or other enforcement against any assets of the Loan Parties the aggregate fair market value of which exceeds $1,000,000;
		ix.	the entry of an order (a) surcharging any of the DIP Collateral under sections 105, 506(c), or any other section of the Bankruptcy Code, (b) applying the equities of the case exception under section 552(b) of the Bankruptcy Code, (c) allowing any administrative-expense claim having priority over or ranking in parity with the DIP Claims or the rights of the DIP Lender (subject to the Carve-Out), or (d) otherwise adversely impacting the DIP Lender's liens, claims, or priority in the DIP Collateral as set forth in this Term Sheet or the DIP Documents;
		x.	any direct or indirect action by any Debtor to (a) challenge the rights and remedies of the DIP Lender under the DIP Facility in the Chapter 11 Case or acting in a manner inconsistent with the DIP Documents or (b) avoid or require disgorgement by the DIP Lender of any amounts received in respect of the obligations under the DIP Facility;
		xi.	entry of an order without the express written consent of the DIP Lender obtaining additional financing from a party other than the DIP Lender under section 364 of the Bankruptcy Code except if such financing provides for the Payment in Full of the DIP Obligations and the DIP Obligations are Paid

		in Full upon the closing or initial funding under such financing; xii. the making of any material payments in respect of prepetition obligations after entry of the Interim Order other than (a) as permitted by the DIP Orders, (b) as permitted by any "first day" or "second day" orders of the Bankruptcy Court acceptable to the DIP Lender, (c) as permitted by any other order of the Bankruptcy Court acceptable to the DIP Lender, (d) as permitted under the DIP Documents in accordance with the Budget (subject to the Permitted Variance), or (e) as otherwise agreed to by the DIP Lender; xiii. entry of an order by the Bankruptcy Court terminating or modifying the exclusive right of any Debtor to file or solicit a chapter 11 plan pursuant to section 1121 of the Bankruptcy Code, without the prior written consent of the DIP Lender, which shall not be unreasonably conditioned or delayed; xiv. any Loan Party shall, directly or indirectly, seek to, or support any other Person's motion to, (a) disallow in whole or in part the DIP Obligations, (b) challenge the validity and enforceability of the DIP Liens or the DIP Claims, or (c) contest any provision of any DIP Document having an adverse effect on the DIP Lender; xv. any Debtor files a Plan that is not in form and substance acceptable to the DIP Lender, it being understood that a Plan will be acceptable to the DIP Lender if it provides for the Payment in Full of the DIP Obligations on or before the effective date of such Plan pursuant to a signed commitment to lend acceptable to the DIP Lender from a recognized lender, balance sheet cash, or another source of funding acceptable to the DIP Lender sufficient to allow for the indefeasible Payment in Full of the outstanding DIP Obligations; xvi. the occurrence and continuance of a Material Adverse Effect; xvii. any Loan Party files a motion seeking to settle a controversy or claim that could be reasonably expected to have a material adverse effect on the DIP Collateral without the prior written consent of the DIP Lender in its sole discretion, which shall not be unreasonably conditioned or delayed; xviii. the Debtor shall fail to execute and deliver to the DIP Lender any agreement, financing statement, trademark filing, copyright filing, notices of lien or similar instruments or other documents that the DIP Lender may request from time to time to more fully evidence, confirm, validate, perfect, preserve and enforce the DIP Liens created in favor of the DIP Lender, subject to the time periods and terms set forth in the applicable DIP Documents; or

		xix. other than pursuant to an Acceptable Stalking Horse Purchase Agreement (or a purchase agreement that is not an Acceptable Stalking Horse Purchase Agreement provided that such purchase agreement would generate cash proceeds sufficient for the Payment in Full of the DIP Obligations (pursuant to a signed commitment to lend acceptable to the DIP Lender from a recognized lender or another source of funding acceptable to the DIP Lender) upon the closing date of such sale), any Debtor files a motion for the approval of a sale of the DIP Collateral or any portion thereof, pursuant to section 363 of the Bankruptcy Code or otherwise, which proposed sale (including, for the avoidance of doubt, any order approving such sale) is not acceptable to the DIP Lender in its sole discretion.
25.	***Indemnification and Reimbursement of Expenses***	• The DIP Documents (including the Interim Order) shall contain customary indemnification provisions for the benefit of the DIP Lender, and its related parties (the "**Indemnitees**"), including, without limitation, indemnification against losses, claims, damages, liabilities or expenses incurred in respect of the financing contemplated by the DIP Documents or the use or the proposed use of proceeds thereof. • Subject to the DIP Documents, all reasonable, documented out-of-pocket accrued and unpaid fees, costs, disbursements, and expenses of the DIP Lender, including the documented fees and expenses of Norton Rose Fulbright US LLP and Ice Miller LLP, as co-counsel to the DIP Lender, incurred in connection with the DIP Facility and the Chapter 11 Case shall be paid on a current basis.
26.	***Release***	• The DIP Orders shall include a customary release of the DIP Lender and its representatives, in their respective capacities as such, with respect to any and all claims and causes of action arising from or related to the Chapter 11 Case, the DIP Facility, and the DIP Documents.
27.	***Waivers***	• The DIP Orders shall include terms and conditions customary for interim and final DIP financing orders, as applicable, and shall be acceptable to the DIP Lender, in its sole discretion, including, without limitation, waiver of the automatic stay, credit-bidding rights, "no marshaling" provisions and other similar doctrines, and waivers of the "equities of the case" exception and the imposition of costs or right to surcharge the DIP Collateral pursuant to sections 105(a) and 506(c) of the Bankruptcy Code or otherwise, in each case, to the extent applicable.
28.	***Counterparts and Electronic Transmission***	• This Term Sheet may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which when so executed and delivered, shall be deemed an original, and all of which, when taken together, shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Term Sheet by facsimile, "PDF" or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Term Sheet.

29.	***Governing Law***	• The laws of the State of New York (except as governed by the Bankruptcy Code) shall govern this Term Sheet. • The Debtor and the DIP Lender shall submit to the exclusive jurisdiction of the Bankruptcy Court and shall waive any right to trial by jury.

[*Signatures on following pages.*]

IN WITNESS WHEREOF, the parties hereto have caused this Term Sheet to be executed as of the date first set forth above.

SANGAMO THERAPEUTICS, INC.,
as Borrower

By: _____
Name: Dr. Alexander Macrae, M.B., Ch.B., Ph.D.
Title: Chief Executive Officer

IN WITNESS WHEREOF, the parties hereto have caused this Term Sheet to be executed as of the date first set forth above.

SANGAMO THERAPEUTICS UK LTD.,
as Guarantor

By: _____
Name: Dr. Alexander Macrae, M.B., Ch.B., Ph.D
Title: Chief Executive Officer

SANGAMO THERAPEUTICS FRANCE SAS,
as Guarantor

By: _____
Name: Dr. Alexander Macrae, M.B., Ch.B., Ph.D
Title: Chief Executive Officer

CEREGENE, INC.,
as Guarantor

By: _____
Name: Dr. Alexander Macrae, M.B., Ch.B., Ph.D
Title: Chief Executive Officer

NORTHRIDGE ATM, LLC,
as DIP Lender

By: _____ .
Name: Vikas Tandon
Title: Manager

Exhibit A

Initial Budget

Exhibit B

Merope APA

Exhibit C

Lumos APA

Exhibit D

Existing Liens

For purposes of this Term Sheet, the term "**Existing Liens**" means the following:

[TO COME]

Exhibit 2

Initial DIP Budget

SGMO - Preliminary DIP Budget

$ in 000's

	Filing															
Week	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	
Week Ending	**6/26**	**7/3**	**7/10**	**7/17**	**7/24**	**7/31**	**8/7**	**8/14**	**8/21**	**8/28**	**9/4**	**9/11**	**9/18**	**9/25**	**10/2**	**Total**
Receipts	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operating Disbursements																
Payroll & Benefits	$1,756	$500	$797	$106	$799	$193	$988	$106	$799	$131	$975	$207	$542	$28	$1,133	$7,306
Rent & Facilities	$39	$640	$18	$42	$41	$39	$660	$20	$33	$32	$265	$20	$33	$32	$34	$1,909
Program Costs	$312	$304	$197	$394	$382	$368	$470	$186	$297	$289	$457	$158	$258	$343	$304	$4,406
International Operations	–	$425	–	–	–	–	$250	–	–	–	$300	–	–	–	–	$975
Other Operating Disbursements	$91	$88	$48	$133	$136	$113	$152	$63	$98	$527	$187	$63	$98	$92	$211	$2,010
Total Operating Disbursements	$2,198	$1,957	$1,060	$676	$1,358	$713	$2,521	$375	$1,227	$979	$2,185	$448	$931	$495	$1,683	$16,606
Operating Cash Flow	**($2,198)**	**($1,957)**	**($1,060)**	**($676)**	**($1,358)**	**($713)**	**($2,521)**	**($375)**	**($1,227)**	**($979)**	**($2,185)**	**($448)**	**($931)**	**($495)**	**($1,683)**	**($16,606)**
Restructuring Disbursements																
Pro Fees	$1,275	$675	$830	$830	$830	$830	$850	$735	$735	$735	$810	$735	$735	$735	$810	$10,875
US Trustee Fees	–	–	–	–	–	–	–	–	–	–	–	–	–	–	$303	$303
DIP Interest & Fees	$600	–	–	–	–	$105	–	–	–	$180	–	–	–	$300	–	$585
Total Restructuring Disbursements	$1,875	$675	$830	$830	$830	$935	$850	$735	$735	$915	$810	$735	$735	$1,035	$1,113	$11,763
Net Cash Flow	**($4,073)**	**($2,632)**	**($1,890)**	**($1,506)**	**($2,188)**	**($1,648)**	**($3,371)**	**($1,110)**	**($1,962)**	**($1,894)**	**($2,995)**	**($1,183)**	**($1,666)**	**($1,530)**	**($2,795)**	**($28,369)**
Beginning Cash Balance	$4,996	$11,423	$8,791	$6,902	$5,396	$3,208	$9,060	$5,689	$4,579	$2,617	$7,723	$4,728	$3,545	$6,879	$5,349	$923
+/(-) Net Cash Flow	($4,073)	($2,632)	($1,890)	($1,506)	($2,188)	($1,648)	($3,371)	($1,110)	($1,962)	($1,894)	($2,995)	($1,183)	($1,666)	($1,530)	($2,795)	($28,369)
(+) DIP Draws	$10,500	–	–	–	–	$7,500	–	–	–	$7,000	–	–	$5,000	–	–	$30,000
Ending Cash Balance	**$11,423**	**$8,791**	**$6,902**	**$5,396**	**$3,208**	**$9,060**	**$5,689**	**$4,579**	**$2,617**	**$7,723**	**$4,728**	**$3,545**	**$6,879**	**$5,349**	**$2,554**	**$2,554**

DIP Roll-Forward																
Beginning balance	–	$10,500	$10,500	$10,500	$10,500	$10,500	$18,000	$18,000	$18,000	$18,000	$25,000	$25,000	$25,000	$30,000	$30,000	–
(+) DIP Draws	$10,500	–	–	–	–	$7,500	–	–	–	$7,000	–	–	$5,000	–	–	$30,000
Ending Balance	**$10,500**	**$10,500**	**$10,500**	**$10,500**	**$10,500**	**$18,000**	**$18,000**	**$18,000**	**$18,000**	**$25,000**	**$25,000**	**$25,000**	**$30,000**	**$30,000**	**$30,000**	**$30,000**
(+) Carve-out	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500	$2,500
(-) Ending Cash Balance	($11,423)	($8,791)	($6,902)	($5,396)	($3,208)	($9,060)	($5,689)	($4,579)	($2,617)	($7,723)	($4,728)	($3,545)	($6,879)	($5,349)	($2,554)	($2,554)
Adjusted Ending Balance	**$1,577**	**$4,209**	**$6,098**	**$7,604**	**$9,792**	**$11,440**	**$14,811**	**$15,921**	**$17,883**	**$19,777**	**$22,772**	**$23,955**	**$25,621**	**$27,151**	**$29,946**	**$29,946**

Notes:

- Cash flow budget excludes investment banker Business Combination and/or Restructuring Transaction Fee(s). Any such fee(s) would be payable upon the closing of the applicable transaction(s), and will depend on the timing, nature, and size of the applicable transactio

- Carve-out reflects the maximum amount agreed upon in the DIP Term Sheet.

- The cash flow forecast excludes other potential disbursements tied to transaction(s), including potential DIP exit fee payments, KEIP / KERP payouts, and winddown budget.

- The Company is currently in discussions to sell certain core assets, which is expected to close during the budgeted period and generate net proceeds sufficient for repayment of the DIP financing loan, PTO payout, and transaction(s) related / one-time disbursements.

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