IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11 (Subchapter V) Case
Recombinetics, Inc., *et al.*,	No. 24-12593 (___)
Debtors.[1]	(Joint Administration Requested)

DEBTORS' MOTION FOR ENTRY OF INTERIM AND FINAL ORDERS (I) AUTHORIZING THE DEBTORS TO PAY CERTAIN PREPETITION CLAIMS OF CRITICAL VENDORS AND SERVICE PROVIDERS; (II) AUTHORIZING BANKS TO HONOR AND PROCESS CHECKS AND ELECTRONIC TRANSFER REQUESTS RELATED THERETO; AND (III) GRANTING RELATED RELIEF

Recombinetics, Inc. and its above-captioned affiliates (collectively, the "Debtors"), the debtors and debtors in possession in the above-captioned chapter 11 cases (the "Chapter 11 Cases"), hereby file this motion (this "Motion") for the entry of interim and final orders, substantially in the forms attached hereto as **Exhibit A** (the "Proposed Interim Order") and **Exhibit B** (the "Proposed Final Order," and together with the Proposed Interim Order, the "Proposed Orders"), (i) authorizing, but not directing, the Debtors to pay, in the ordinary course of business, certain prepetition claim amounts they deem critical (collectively identified herein as the "Critical Vendor Claims") of vendors and service providers (the "Critical Vendors" and each a "Critical Vendor"), subject to the conditions described herein; (ii) authorizing banks and other financial institutions (collectively, the "Banks") to honor and process checks and electronic transfer requests related to the foregoing; and (iii) granting related relief. In support of the Motion, the Debtors rely upon and incorporate by reference the *Declaration of Rocco Morelli in Support*

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are Recombinetics, Inc. (1470), Acceligen, Inc. (N/A), Regenevida, Inc. (N/A), Surrogen, Inc. (N/A), and Therillume, Inc. (4995). The mailing address for each of the Debtors is 3388 Mike Collins Drive, Eagan, Minnesota 55121.

of Debtors' Chapter 11 Petitions and First Day Motions and Applications (the "First Day Declaration").[2] In further support of this Motion, the Debtors respectfully state as follows:

JURISDICTION AND VENUE

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1334 and 157, and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated as of February 29, 2012 (the "Standing Order"). This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and the Court may enter a final order consistent with Article III of the United States Constitution.[3] Venue is proper in the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The statutory and legal predicates for the relief sought herein are sections 105(a), 363(b), and 1184 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the "Bankruptcy Code") and Rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

GENERAL BACKGROUND

3. On the date hereof (the "Petition Date"), each of the Debtors filed with the Court a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors are authorized to operate their businesses and manage their properties as debtors and debtors in possession pursuant to section 1184 of the Bankruptcy Code. No request has been made for the appointment of a trustee or an examiner. The Debtors have requested that the Chapter 11 Cases be jointly administered for procedural purposes only pursuant to Bankruptcy Rule 1015(b).

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[2] Capitalized terms used but not defined herein shall have the meaning ascribed to them in the First Day Declaration.

[3] Pursuant to Rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), the Debtors consent to the Court's entry of a final judgment or order with respect to this Motion if it is determined that the Court, absent consent of the parties, cannot enter a final order consistent with Article III of the United States Constitution.

4. The Debtors have elected to proceed as subchapter V debtors and, accordingly, a Subchapter V Trustee will be appointed in these Chapter 11 Cases on or shortly after the Petition Date.

5. As set forth in the First Day Declaration, the Debtors are a gene editing company that focuses on the editing of animal cells and embryos for strategic commercial applications worldwide, with the aim of improving human health outcomes as well as the sustainability of animal agriculture and aquaculture. Additional information regarding the Debtors' businesses, capital structure, and the circumstances leading to the filing of the Chapter 11 Cases is set forth in the First Day Declaration.

BACKGROUND RELATING TO THE MOTION

6. In the ordinary course of business, the Debtors depend on Critical Vendors to maintain operations and serve the Debtors. Most, if not all, of the Critical Vendors relate to the Debtors' farming operations and the feed and/or equipment supplied in connection therewith. Maintaining the ongoing business relationships with these Critical Vendors is crucial to continuing the farming operations and preserving the value of the Debtors' assets until the closing of the sale of substantially all of the Debtors' assets (the "Sale"). Thus, the Debtors needs to be able to assure the Critical Vendors and the Debtors' employees that notwithstanding the filing of the Chapter 11 Cases, the Debtors will be able to seamlessly maintain its ordinary course business while the Debtors pursue the Sale.

7. To identify the Critical Vendors, the Debtors and their advisors spent significant time and effort reviewing and analyzing the Debtors' books and records, consulting operations management, and analyzing historical practices to identify business relationships that, if lost, could materially harm the Debtors' business, significantly reduce the Debtors' enterprise value, and/or negatively affect their strategy in the Chapter 11 Cases.

8. The Debtors estimate that, as of the Petition Date, the aggregate amount of the Critical Vendor Claims is approximately $260,000.

RELIEF REQUESTED

9. By this Motion, the Debtors request that the Court enter the Proposed Orders, authorizing the Debtors to pay, in their discretion, the Critical Vendor Claims in amounts not to exceed those set forth below:

VENDOR CLAIMS		
Type of Claim	**Interim Claims Cap**	**Final Claims Cap**
Critical Vendor Claims	$190,000	$240,000

10. The Debtors propose conditioning, where possible, the payment of Critical Vendor Claims on obtaining an agreement from each Critical Vendor to continue supplying goods and services to the Debtors on as favorable trade terms, practices, and programs as those trade terms, practices, and programs in place in the two years before the Petition Date (the "Customary Trade Terms") or pursuant to such other trade practices and programs that are favorable to the Debtors. Where appropriate, the Debtors seek authority, but not direction, to require as a condition to payment of a Critical Vendor Claim that the applicable Critical Vendor (including a Critical Vendor whose Vendor Claim may be entitled to priority under section 503(b)(9) of the Bankruptcy Code) enter into a trade agreement, substantially in the form annexed hereto as **Exhibit C** (each a "Vendor Agreement"). A Vendor Agreement, once agreed to and accepted by a Critical Vendor, constitutes a legally binding contractual relationship between the parties governing the commercial trade relationship as provided therein.

11. The Debtors also seek limited authority, but not direction, to pay Critical Vendor Claims if no Vendor Agreement has been executed or if the Debtors determine, in their business judgment, that a formal Vendor Agreement is prohibitive or unnecessary to provide for the

continued provision of goods or services on a post-petition basis; provided that, unless otherwise agreed by the Debtors, if any Critical Vendor accepts payment pursuant to the relief requested by this Motion and thereafter does not continue to provide goods or services on Customary Trade Terms (regardless of whether a Vendor Agreement has been executed), and subject to any Vendor Agreement that may be executed: (a) the Debtors may demand repayment in cash or otherwise take all action to have such payment be deemed an improper post-petition transfer on account of a prepetition claim; (b) upon recovery by the Debtors, any prepetition claim of such Critical Vendor will be reinstated as if the payment had not been made and the deadline for a Critical Vendor to file a reinstated claim will be the later of (i) the general bar date established by order of the Court; or (ii) 30 days after the Debtors provide written notice to the party of the reinstatement of its claim; and (c) if the Debtors owe the Critical Vendor any post-petition amounts, the Debtors may recharacterize and apply any payment made pursuant to an order entered in connection with this Motion to reduce such outstanding post-petition amounts, and the Debtors may then take any and all appropriate steps to cause such Critical Vendor to return payments made to it on account of its prepetition claim to the extent such payments exceed the post-petition amounts then owing to such Critical Vendor.

12. The Debtors also propose that, where applicable, all payments of Critical Vendor Claims shall be applied first to the Critical Vendor's claims for goods received by the Debtors within 20 days prior to the Petition Date. These claims are entitled, in many instances, to priority as administrative claims pursuant to section 503(b)(9) of the Bankruptcy Code. Accordingly, such payments will only affect the timing of the distribution, but not the amounts, of such Critical Vendor Claims.

BASIS FOR RELIEF

A. The Court Should Authorize, But Not Direct, the Debtors, in Their Discretion, to Pay the Critical Vendor Claims

13. The goods and services provided by the Critical Vendors are necessary to ensure that there are no unexpected or inopportune interruptions to the Debtors' operations that would jeopardize the continuity of the Debtors' farming operations. The Critical Vendors are the most cost-efficient and, in many cases, the only source from which the Debtors can procure critical goods and services within a timeframe that would permit the Debtors to avoid unanticipated interruptions, delays, or shutdowns in their operations. Any failure to pay the Critical Vendor Claims would, in the Debtors' business judgment, result in the Critical Vendors refusing to provide necessary goods and services to the Debtors. Any unexpected or inopportune interruption, delay, or shutdown in the Debtors' operations resulting from a refusal by the Critical Vendors to do business with the Debtors on a post-petition basis would have significant deleterious effects on the Debtors' business and would undermine the Debtors' ability to preserve and maximize the value of their estates.

14. With respect to the Critical Vendor Claims, the Debtors have reviewed their accounts payable and undertaken a process to identify those vendors that are essential to avoid any unexpected or inopportune interruptions to their operations. The Debtors have further developed certain procedures that, if and when implemented in their discretion and business judgment, will ensure that the Critical Vendors receiving payment of the Critical Vendor Claims will continue to provide goods and services to the Debtors based upon the Customary Trade Terms or such other trade terms as are agreed to by the Debtors and the Vendors.

15. The authority to pay the Critical Vendor Claims is vital to the Debtors' efforts to preserve and maximize the value of their estates. If the Proposed Orders are not entered, many of

the Critical Vendors will likely refuse to do business with the Debtors. Such a result would be damaging to the Debtors' efforts to successfully prosecute the Chapter 11 Cases to the detriment of the Debtors' estates and creditors. The retention or reinstatement of the Customary Trade Terms will enable the Debtors to maximize the value of their business. Conversely, a deterioration in post-petition credit available to the Debtors, together with a disruption in the Debtors' receipt of necessary goods and services, would, among other things, increase the amount of liquidity needed by the Debtors following the Petition Date and impede the Debtors' chapter 11 efforts.

16. For the foregoing reasons, the Debtors respectfully submit that entry of the Proposed Order is in the best interests of the Debtors, their estates, and creditors.

B. The Court Should Authorize Payment of the Critical Vendor Claims Under the "Doctrine of Necessity"

17. Section 363(b)(1) of the Bankruptcy Code provides that, after notice and a hearing, the trustee "may use, sell, or lease, other than in the ordinary course of business, property of the estate . . . ." 11 U.S.C. § 363(b)(1).

18. Section 105(a) of the Bankruptcy Code empowers a bankruptcy court to "issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title." 11 U.S.C. § 105(a). Bankruptcy courts have invoked the equitable power of section 105 of the Bankruptcy Code to authorize the post-petition payment of pre-petition claims where such payment is necessary to preserve the value of a debtor's estate. *See, e.g., Tropical Sportswear Int'l Corp.*, 320 B.R. 15, 20 (Bankr. M. D. Fla. 2005) ("Bankruptcy courts recognize that section 363 is a source for authority to make critical vendor payments, and section 105 is used to fill in the blanks."). Courts have likewise acknowledged that "[u]nder [section] 105, the court can permit pre-plan payment of a pre-petition obligation when essential to the continued operation of the debtor." *In re NVR L.P.*, 147 B.R. 126, 127 (Bankr. E.D. Va. 1992) (citing *In re Ionosphere Clubs,*

Inc., 98 B.R. 174, 177 (Bankr. S.D.N.Y. 1989)); *see also In re Just for Feet, Inc.*, 242 B.R. 821, 825 (D. Del. 1999) (citing *In re Penn Cent. Transp. Co.*, 467 F.2d 100, 102 n.1 (3d Cir. 1972)) (holding that the court is authorized under section 105(a) of the Bankruptcy Code to allow immediate payment of pre-petition claims of vendors found to be critical to the debtor's continued operation); *In re Eagle-Picher Indus., Inc.*, 124 B.R. 1021, 1023 (Bankr. S.D. Ohio 1991) ("[T]o justify payment of a pre-petition unsecured creditor, a debtor must show that the payment is necessary to avert a serious threat to the Chapter 11 process.").

19. In a long line of well-established cases, federal courts consistently have permitted post-petition payment of prepetition obligations where necessary to preserve or enhance the value of a debtor's estate for the benefit of all creditors. *See, e.g., Miltenberger v. Logansport, C. & S. W. Ry. Co.*, 106 U.S. 286, 312 (1882) (holding that payment of pre-receivership claim permitted to prevent "stoppage of [crucial] business relations"); *In re Lehigh & New Eng. Ry. Co.*, 657 F.2d 570, 581 (3d Cir. 1981) (holding that "if payment of a claim which arose prior to [the commencement of the bankruptcy case] is essential to the continued operation of the . . . [business] during [the bankruptcy case], payment may be authorized even if it is made out of [the] corpus"); *Dudley v. Mealey*, 147 F.2d 268, 271 (2d Cir. 1945) (extending the doctrine for payment of pre-petition claims beyond railroad reorganization cases).

20. This legal principle—known as the "doctrine of necessity"—functions in chapter 11 cases as a mechanism by which a bankruptcy court can exercise its equitable power to allow payment of critical pre-petition claims not explicitly authorized by the Bankruptcy Code. *See Just for Feet*, 242 B.R. at 826 (finding that "to invoke the necessity of payment doctrine, a debtor must show that payment of the pre-petition claims is critical to the debtor's [continued operation]."); *In re Columbia Gas Sys., Inc.*, 136 B.R. 930, 939 (Bankr. D. Del. 1992) (recognizing that "[i]f

payment of a pre-petition claim is essential to the continued operation of [the debtor], payment may be authorized"); *In re Boston & Me. Corp.*, 634 F.2d 1359, 1382 (1st Cir. 1980) (recognizing the existence of a judicial power to authorize trustees to pay claims for goods and services that are indispensably necessary to a debtor's continued operation). The doctrine is frequently invoked early in a bankruptcy case, particularly in connection with those Bankruptcy Code sections that relate to payment of prepetition claims. In one case, the court indicated its accord with "the principle that a bankruptcy court may exercise its equity powers under section 105(a) to authorize payment of pre-petition claims where such payment is necessary 'to permit the greatest likelihood of . . . payment of creditors in full or at least proportionately.'" *In re Structurelite Plastics Corp.*, 86 B.R. 922, 931 (Bankr. S. D. Ohio 1988).

21. As explained above, the goods and services provided by the Critical Vendors are essential to ensure that there is no unexpected or inopportune interruption to the operation of the Debtors' business. The Debtors submit that the total amount to be paid to the Critical Vendors is minimal compared to the importance and necessity of the Debtors' uninterrupted receipt of the necessary goods and services. Moreover, the Debtors' analysis indicates that there are no cost-effective or readily accessible alternatives to paying the Critical Vendors.

22. Accordingly, the Debtors submit that the Court should exercise its equitable power to grant the relief requested herein.

C. The Court Should Authorize Payment of the Critical Vendor Claims as a Valid Exercise of the Debtors' Fiduciary Duties

23. Authority for satisfying the Critical Vendor Claims also may be found in section 1184 of the Bankruptcy Code. The Debtors, operating their business as debtors in possession, are fiduciaries "holding the bankruptcy estate[s] and operating the business[es] for the benefit of [their] creditors and (if the value justifies) equity owners." *In re CoServ, L.L.C.*, 273 B.R. 487,

497 (Bankr. N.D. Tex. 2002). Implicit in the duties of a chapter 11 debtor in possession is the duty "to protect and preserve the estate, including an operating business's going-concern value." *Id.*

24. Courts have noted that there are instances in which a debtor in possession can fulfill its fiduciary duty "only . . . by the preplan satisfaction of a prepetition claim." *Id.* The *CoServ* court specifically noted that pre-plan satisfaction of prepetition claims would be a valid exercise of a debtor's fiduciary duty when the payment "is the only means to effect a substantial enhancement of the estate," *id.*, and also when the payment was to "sole suppliers of a given product." *Id.* at 498. The court provided a three-pronged test for determining whether a preplan payment on account of a prepetition claim was a valid exercise of a debtor's fiduciary duty:

> First, it must be critical that the debtor deal with the claimant. Second, unless it deals with the claimant, the debtor risks the probability of harm, or, alternatively, loss of economic advantage to the estate or the debtor's going concern value, which is disproportionate to the amount of the claimant's prepetition claim. Third, there is no practical or legal alternative by which the debtor can deal with the claimant other than by payment of the claim.

Id.

25. Payment of the Critical Vendor Claims meets each element of the *CoServ* court's standard. As described above, the Critical Vendor Claims encompass the claims of the Critical Vendors that would otherwise refuse, or would be unable to, provide goods and services to the Debtors on a post-petition basis if their prepetition balances are not paid, thereby creating the significant risk that the Debtors will experience an unexpected or inopportune interruption to their operations. Any such interruption would diminish estate value and frustrate the Debtors' Sale efforts. The harm and economic disadvantage that would stem from the failure of any of the Critical Vendors to perform is disproportionate to the amount of the Critical Vendor Claims.

26. Finally, the Debtors have examined other options short of payment of the Critical Vendor Claims and have determined that, to avoid an unexpected or inopportune interruption to

their business operations, there exists no practical alternative to their payment of the Critical Vendor Claims. Therefore, the Debtors can only meet their fiduciary duties as debtors in possession under section 1184 of the Bankruptcy Code by payment of the Critical Vendor Claims.

27. As explained above, it is critical to the Debtors' chapter 11 efforts that they continue to receive goods and services, as applicable, from the Critical Vendors on an uninterrupted basis throughout the chapter 11 process. Without the relief requested herein, many of the Critical Vendors may cease delivering goods and providing services to the Debtors, which could have devastating consequences for the Debtors and their estates.

28. Accordingly, for all of the foregoing reasons, the Debtors submit that cause exists for granting the relief requested herein.

D. The Court Should Authorize the Banks to Honor and Process the Debtors' Payments in Accordance with the Motion

29. The Debtors also request that the Court authorize the Banks, when requested by the Debtors, in their discretion, to honor and process checks or electronic fund transfers drawn on the Debtors' bank accounts to pay prepetition obligations described herein, whether such checks or other requests were submitted prior to, or after, the Petition Date, provided that sufficient funds are available in the applicable bank accounts to make such payments. The Debtors further request that all of the Banks be authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved pursuant to this Motion.

SATISFACTION OF BANKRUPTCY RULE 6003(b)

30. Pursuant to Bankruptcy Rule 6003(b), any motion seeking to use property of the estate pursuant to section 363 of the Bankruptcy Code or to satisfy prepetition claims within twenty-one days of the Petition Date requires that the Debtors demonstrate that such relief "is necessary to avoid immediate and irreparable harm." Fed. R. Bankr. P. 6003(b). As set forth

throughout this Motion, the success of the Chapter 11 Cases depends upon the continued receipt of critical goods and services. Without such goods and services, the Debtors' estates would suffer immediate and detrimental consequences to the Debtors' business, which would jeopardize the Debtors' efforts to preserve and maximize the value of their estates, jeopardizing the anticipated Sale process. Moreover, it is the Debtors' business judgment that continuation of their positive relationships with the Critical Vendors is critical to avoid any unexpected or inopportune interruption to their operations and increases the likelihood of successfully prosecuting the Chapter 11 Cases. Thus, if the relief requested herein is not granted, the Debtors' failure to satisfy the Critical Vendor Claims would cause the Debtors' estates immediate and irreparable harm by detracting from, and potentially derailing, the Debtors' chapter 11 efforts.

31. For this reason and those set forth above, the Debtors respectfully submit that Bankruptcy Rule 6003(b) has been satisfied and the relief requested herein is necessary to avoid immediate and irreparable harm to the Debtors and their estates.

WAIVER OF STAY UNDER BANKRUPTCY RULE 6004(h)

32. Pursuant to Bankruptcy Rule 6004(h), "An order authorizing the use, sale, or lease of property other than cash collateral is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise." Fed. R. Bankr. P. 6004(h). As set forth throughout this Motion, any delay in obtaining goods and services would be detrimental to the Debtors, their creditors, and their estates, as the Debtors' ability to manage and run their business operations without any unexpected or inopportune interruption requires, in part, that they continue to receive necessary goods and services.

33. For this reason and those set forth above, the Debtors submit that ample cause exists to justify a waiver of the fourteen-day stay imposed by Bankruptcy Rule 6004(h) to the extent applicable to the Proposed Orders.

RESERVATION OF RIGHTS

34. Nothing in the Proposed Orders or this Motion (i) is intended or shall be deemed to constitute an assumption of any agreement pursuant to section 365 of the Bankruptcy Code or an admission as to the validity of any claim against the Debtors and their estates, (ii) shall impair, prejudice, waive, or otherwise affect the rights of the Debtors and their estates with respect to the validity, priority, or amount of any claim against the Debtors and their estates, (iii) shall impair, prejudice, waive, or otherwise affect the rights of the Debtors and their estates with respect to any and all claims or causes of action against any of the Vendors, or (iv) shall be construed as a promise to pay a claim.

NOTICE

35. The Debtors will provide notice of this Motion to: (i) the Office of the United States Trustee for the District of Delaware; (ii) the Office of the United States Attorney for the District of Delaware; (iii) the Subchapter V Trustee appointed in these Chapter 11 Cases, (iv) the Internal Revenue Service; (v) the Debtors' twenty (20) largest unsecured creditors (excluding insiders); (vi) counsel to the Prepetition and DIP Lender; (vii) all parties who have filed a notice of appearance and request for service of papers pursuant to Bankruptcy Rule 2002. Notice of this Motion and any order entered hereon will be served in accordance with Rule 9013-1(m) of the Local Rules. In light of the nature of the relief requested herein, the Debtors submit that no other or further notice is necessary.

CONCLUSION

WHEREFORE, the Debtors respectfully request entry of the Proposed Orders, granting the relief requested herein and such other and further relief as is just and proper.

Dated: November 11, 2024
Wilmington, Delaware

FAEGRE DRINKER BIDDLE & REATH LLP

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Proposed Counsel to the Debtors and Debtors in Possession

<u>EXHIBIT A</u>

Proposed Interim Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11 (Subchapter V)
Recombinetics, Inc., *et al.*,	No. 24-12593 (___)
Debtors.[1]	(Joint Administration Requested)

INTERIM ORDER (I) AUTHORIZING THE DEBTORS TO PAY CERTAIN PREPETITION CLAIMS OF CRITICAL VENDORS AND SERVICE PROVIDERS; (II) AUTHORIZING BANKS TO HONOR AND PROCESS CHECKS AND ELECTRONIC TRANSFER REQUESTS RELATED THERETO; AND (III) GRANTING RELATED RELIEF

Upon consideration of the motion (the "Motion")[2] of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for the entry of interim and final orders, pursuant to sections 105(a), 363(b), 503(b), and 1184 of the Bankruptcy Code and Bankruptcy Rules 6003 and 6004, (i) authorizing, but not directing, the Debtors, in their discretion, to pay Critical Vendor Claims in the ordinary course of business; (ii) authorizing the Banks to honor and process checks and electronic transfer requests related to the foregoing; and (iii) granting related relief; and upon consideration of the record of the Chapter 11 Cases; and the Court having found that due and proper notice of the Motion has been given and no other or further notice of the Motion is required; and the Court having found that it has jurisdiction to consider the Motion under 28 U.S.C. §§ 1334 and 157, and the Standing Order; and the Court having found that its consideration of the Motion and the relief requested therein is a core proceeding under 28 U.S.C. § 157(b) and that it may enter a final order consistent with Article III of the United States

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are Recombinetics, Inc. (1470), Acceligen, Inc. (N/A), Regenevida, Inc. (N/A), Surrogen, Inc. (N/A), and Therillume, Inc. (4995). The mailing address for each of the Debtors is 3388 Mike Collins Drive, Eagan, Minnesota 55121.

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

Constitution; and the Court having found that venue of these proceedings and the Motion is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having found and determined that the relief requested in the Motion and provided for herein is in the best interest of the Debtors, their estates, and their creditors; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED on an interim basis as set forth herein.

2. A final hearing on the relief sought in the Motion shall be conducted on ________________, 2024, at ______ (ET) (the "Final Hearing"). Any party-in-interest objecting to the relief sought at the Final Hearing or the Proposed Final Order shall file and serve a written objection, which objection shall be served upon proposed counsel for the Debtors, in each case no later than _______________________, 2024, at 4:00 p.m. (ET). If no objections to the entry of the Proposed Final Order are timely filed, this Court may enter the Proposed Final Order without further notice or a hearing. The Debtors shall file a notice of the Final Hearing within two business days after entry of this Order.

3. The Debtors are authorized, but not directed, in their discretion, to pay, honor or otherwise satisfy Critical Vendor Claims, on an interim basis, in the ordinary course of their business up to the following aggregate amounts:

Type of Claim	**Interim Amount**
Critical Vendor Claims	$190,000

4. Any payment made by the Debtors pursuant to the authority granted herein shall be in accordance with the terms and conditions of the DIP Financing, including the DIP Budget, and DIP Order and any other or subsequent orders approving debtor-in-possession financing or use of cash collateral by this Court in these Chapter 11 Cases.

5. The form of Vendor Agreement attached to the Motion as **Exhibit C** is hereby approved.

6. The Debtors are authorized to undertake all appropriate efforts to cause a Critical Vendor to enter into the form of Vendor Agreement, substantially in the form attached to the Motion as **Exhibit C**, and the Debtors are authorized to negotiate, modify, or amend the form of Vendor Agreement in the exercise of their reasonable business judgment to the extent such negotiations, modifications, or amendments are not materially adverse to the Debtors.

7. The Debtors are authorized, but not directed, in the exercise of their reasonable business judgment, to condition payment of Critical Vendor Claims under this Interim Order on the agreement of Critical Vendors to continue supplying goods and services to the Debtors on the Customary Trade Terms, or such other trade terms as are agreed to by the Debtors and the Critical Vendor.

8. If any party accepts payment pursuant to the relief requested by this Interim Order and thereafter does not continue to provide goods or services on Customary Trade Terms (regardless of whether a Vendor Agreement has been executed), and subject to any Vendor Agreement that may be executed or otherwise agreed by the Debtors: (a) the Debtors may demand repayment in cash or otherwise take all action to have such payment be deemed to be an improper post-petition transfer on account of a prepetition claim and (b) upon recovery by the Debtors, any prepetition claim of such party shall be reinstated as if the payment had not been made and the deadline for such party to file a reinstated claim will be the later of (i) the general bar date established by order of this Court; or (ii) 30 days after the Debtors provide written notice to the party of the reinstatement of its claim; and (c) if the Debtors owe the Critical Vendor any post-petition amounts, the Debtors may recharacterize and apply any payment made pursuant to an

order entered in connection with the Motion to reduce such outstanding post-petition amounts, and the Debtors may then take any and all appropriate steps to cause such Critical Vendor to return payments made to it on account of its prepetition claim to the extent such payments exceed the post-petition amounts then owing to such Critical Vendor.

9. Any payments with respect to prepetition claims under this Interim Order shall first be used to satisfy any allowed claim of the applicable Critical Vendor that is entitled to priority under section 503(b)(9) of the Bankruptcy Code, and thereafter to satisfy the applicable Critical Vendor's general unsecured claim(s).

10. The Banks are authorized, when requested by the Debtors, in the Debtors' discretion, to honor and process checks or electronic fund transfers drawn on the Debtors' bank accounts to pay prepetition obligations authorized to be paid hereunder, whether such checks or other requests were submitted prior to, or after, the Petition Date, provided that sufficient funds are available in the applicable bank accounts to make such payments. The Banks may rely on the representations of the Debtors with respect to whether any check or other transfer drawn or issued by the Debtors prior to the Petition Date should be honored pursuant to this Interim Order, and any such Bank shall not have any liability to any party for relying on such representations by the Debtors, as provided for in this Interim Order.

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

to any and all claims or causes of action against any of the Vendors; or (d) shall be construed as a promise to pay a claim.

12. Nothing herein shall prejudice the Debtors' rights to request additional authority to pay Critical Vendor Claims.

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

14. The requirements of Bankruptcy Rule 6003(b) are satisfied.

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

16. Notice of the Motion as provided therein shall be deemed good and sufficient and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

17. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation of this Interim Order.

EXHIBIT B

Proposed Final Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11 (Subchapter V)
Recombinetics, Inc., *et al.*,	No. 24-12593 (___)
Debtors.[1]	(Joint Administration Requested)

FINAL ORDER (I) AUTHORIZING THE DEBTORS TO PAY CERTAIN PREPETITION CLAIMS OF CRITICAL VENDORS AND SERVICE PROVIDERS; (II) AUTHORIZING BANKS TO HONOR AND PROCESS CHECKS AND ELECTRONIC TRANSFER REQUESTS RELATED THERETO; AND (III) GRANTING RELATED RELIEF

Upon consideration of the motion (the "Motion")[2] of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for the entry of interim and final orders, pursuant to sections 105(a), 363(b), 503(b), and 1184 of the Bankruptcy Code and Bankruptcy Rules 6003 and 6004, (i) authorizing, but not directing, the Debtors, in their discretion, to pay Critical Vendor Claims in the ordinary course of business; (ii) authorizing the Banks to honor and process checks and electronic transfer requests related to the foregoing; and (iii) granting related relief; and upon consideration of the record of the Chapter 11 Cases; and the Court having found that due and proper notice of the Motion has been given and no other or further notice of the Motion is required; and the Court having found that it has jurisdiction to consider the Motion under 28 U.S.C. §§ 1334 and 157, and the Standing Order; and the Court having found that its consideration of the Motion and the relief requested therein is a core proceeding under 28 U.S.C. § 157(b) and that it may enter a final order consistent with Article III of the United States

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are Recombinetics, Inc. (1470), Acceligen, Inc. (N/A), Regenevida, Inc. (N/A), Surrogen, Inc. (N/A), and Therillume, Inc. (4995). The mailing address for each of the Debtors is 3388 Mike Collins Drive, Eagan, Minnesota 55121.

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

Constitution; and the Court having found that venue of these proceedings and the Motion is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having found and determined that the relief requested in the Motion and provided for herein is in the best interest of the Debtors, their estates, and their creditors; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED on a final basis as set forth herein.

2. The Debtors are authorized, but not directed, in their discretion, to pay, honor or otherwise satisfy Critical Vendor Claims, on a final basis, in the ordinary course of their business, up to the following aggregate amounts:

Type of Claim	**Final Amount**
Critical Vendor Claims	$240,000

3. The form of Vendor Agreement attached to the Motion as **Exhibit C** is hereby approved.

4. The Debtors are authorized to undertake all appropriate efforts to cause a Critical Vendor to enter into the form of Vendor Agreement, substantially in the form attached to the Motion as **Exhibit C**, and the Debtors are authorized to negotiate, modify, or amend the form of Vendor Agreement in the exercise of their reasonable business judgment to the extent such negotiations, modifications, or amendments are not materially adverse to the Debtors.

5. The Debtors are authorized, but not directed, in the exercise of their reasonable business judgment, to condition payment of Critical Vendor Claims under this Final Order on the agreement of Vendors to continue supplying goods and services to the Debtors on the Customary Trade Terms, or such other trade terms as are agreed to by the Debtors and the Critical Vendor.

6. If any party accepts payment pursuant to the relief requested by this Final Order and thereafter does not continue to provide goods or services on Customary Trade Terms (regardless of whether a Vendor Agreement has been executed), and subject to any Vendor Agreement that may be executed or otherwise agreed by the Debtors: (a) the Debtors may demand repayment in cash or otherwise take all action to have such payment be deemed to be an improper postpetition transfer on account of a prepetition claim and (b) upon recovery by the Debtors, any prepetition claim of such party shall be reinstated as if the payment had not been made and the deadline for such party to file a reinstated claim will be the later of (i) the general bar date established by order of this Court; or (ii) 30 days after the Debtors provide written notice to the party of the reinstatement of its claim; and (c) if the Debtors owe the Critical Vendor any postpetition amounts, the Debtors may recharacterize and apply any payment made pursuant to an order entered in connection with the Motion to reduce such outstanding postpetition amounts, and the Debtors may then take any and all appropriate steps to cause such Critical Vendor to return payments made to it on account of its prepetition claim to the extent such payments exceed the postpetition amounts then owing to such Critical Vendor.

7. Any payments with respect to prepetition claims under this Final Order shall first be used to satisfy any allowed claim of the applicable Critical Vendor that is entitled to priority under section 503(b)(9) of the Bankruptcy Code, and thereafter to satisfy the applicable Critical Vendor's general unsecured claim(s).

8. The Banks are authorized, when requested by the Debtors, in the Debtors' discretion, to honor and process checks or electronic fund transfers drawn on the Debtors' bank accounts to pay prepetition obligations authorized to be paid hereunder, whether such checks or other requests were submitted prior to, or after, the Petition Date, provided that sufficient funds

are available in the applicable bank accounts to make such payments. The Banks may rely on the representations of the Debtors with respect to whether any check or other transfer drawn or issued by the Debtors prior to the Petition Date should be honored pursuant to this Final Order, and any such Bank shall not have any liability to any party for relying on such representations by the Debtors, as provided for in this Final Order.

9. For the avoidance of doubt, nothing in this Final Order (a) is intended or shall be deemed to constitute an assumption of any agreement pursuant to section 365 of the Bankruptcy Code or an admission as to the validity of any claim against the Debtors and their estates; (b) shall impair, prejudice, waive, or otherwise affect the rights of the Debtors and their estates with respect to the validity, priority, or amount of any claim against the Debtors and their estates; (c) shall impair, prejudice, waive, or otherwise affect the rights of the Debtors and their estates with respect to any and all claims or causes of action against any of the Vendors; or (d) shall be construed as a promise to pay a claim.

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

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

12. Notice of the Motion as provided therein shall be deemed good and sufficient and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

13. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation of this Final Order.

EXHIBIT C

Form Vendor Agreement

Vendor Agreement

[________], 2024

Dear [Valued Supplier/Service Provider]:

As you are aware, Recombinetics, Inc. and several wholly owned subsidiaries (collectively, "Recombinetics") filed voluntary petitions for relief under chapter 11 of the title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the "Bankruptcy Code") commencing chapter 11 cases (the "Bankruptcy Cases") on November 11, 2023 (the "Petition Date") in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court").

As part of its chapter 11 filing, Recombinetics has created a special program (the "Program") for its critical providers of goods and services (the "Vendors"), which was approved by the Bankruptcy Court. Under the Program, Vendors who contractually commit to continue doing business with Recombinetics may be eligible to receive immediate payment for goods and services that were provided before the commencement of the Bankruptcy Cases, but for which the Vendor has not yet been paid.

The Program is described in greater detail in the motion filed with the Bankruptcy Court on the Petition Date (the "Motion"), and the interim order/final order approving it (the "Order"). Recombinetics encourages you to read and understand the additional terms and conditions reflected in the Motion and Order, which are incorporated by reference in this agreement (this "Vendor Agreement"). The Motion and Order may be viewed free of charge using the following link: https://bankruptcy-claims.com/RCI.

To receive immediate payment on prepetition claims pursuant to the Order, you must agree to continue to supply goods or services to Recombinetics based on "Customary Trade Terms." As used herein and in the Order, "Customary Trade Terms" are the normal and customary trade terms, practices, and programs (including credit limits, pricing rebates, cash discounts, timing of payments, coupon reconciliation, and other applicable terms and programs), that were most favorable to Recombinetics and in effect between the Vendor and Recombinetics at any time within the 2 year period before the Petition Date, or, if applicable, the trade terms of the agreement between the parties in effect on the Petition Date, or such other trade terms as agreed by Recombinetics and the Vendor.

For purposes of administration of the Program, Recombinetics and you agree as follows:

1. The estimated balance of your aggregate prepetition claim(s) against Recombinetics is $[___] (the "Agreed Vendor Claim").

2. $[___] of the Agreed Vendor Claim is entitled to administrative expense priority pursuant to section 503(b)(9) of the Bankruptcy Code (the "Agreed 503(b)(9) Claim").

3. Recombinetics will provisionally pay you $[___] (the "Payment") on account of the Agreed Vendor Claim (net of any setoffs, credits, or discounts) of which $[___] will be applied toward the Agreed 503(b)(9) Claim. Such payment will satisfy the Agreed 503(b)(9) Claim in full and [___]% of the total amount of the Agreed Vendor Claim.

4. For the avoidance of doubt, payment of the Agreed 503(b)(9) Claim will extinguish any claims you may have arising under section 503(b)(9) of the Bankruptcy Code.

5. Nothing herein waives Recombinetics' or your rights under section 365 of the Bankruptcy Code.

6. If there is an agreement in effect as of the Petition Date between you and Recombinetics, you will continue to provide goods or services in accordance with the agreement's terms. Otherwise, you will provide Customary Trade Terms as follows (if more space is required, provide continuation pages):

   ____
   ____
   ____

7. You agree that you will not require a lump-sum payment upon the confirmation or consummation of a chapter 11 plan in the Bankruptcy Cases on account of any administrative expense claim that you may assert, but instead agree that such claims will be paid in the ordinary course of business after confirmation of a plan under applicable Customary Trade Terms, if the plan provides for the ongoing operations of Recombinetics.

8. You will hereafter extend to Recombinetics all Customary Trade Terms and agree to abide by any purchase order terms and conditions between you and the Company as in effect before the Petition Date (the "Current PO(s)").

Payment of your Agreed Vendor Claim in the manner set forth in the Order may occur upon execution of this Vendor Agreement by a duly authorized representative of the Vendor and the return of this letter to Recombinetics. Your execution and return of this Vendor Agreement constitutes an agreement between you and Recombinetics:

a. to the Customary Trade Terms and, subject to the reservations contained in the Order, to the amount of the Payment set forth above;

b. that, for a period lasting until the later of 2 years from the Petition Date, or the date upon which the term of your Current PO(s) expire, you will continue to supply Recombinetics with goods or services pursuant to Customary Trade Terms and that Recombinetics will pay for those goods or services in accordance with Customary Trade Terms;

c. that you have reviewed the terms and provisions of the Order and consent to be bound by the same;

d. that you will not separately seek payment for reclamation, claims pursuant to section 503(b)(9) of the Bankruptcy Code, or other similar claims outside of the terms of the Order unless your participation in the Program is terminated;

e. that, in consideration for the Payment, you agree not to file or otherwise assert against Recombinetics, its estates, or any other person or entity, or any of their respective assets or property (real or personal) any lien (regardless of the statute or other legal authority upon which the lien is asserted) on account of any remaining prepetition amounts allegedly owed to you by Recombinetics arising from agreements entered into before the Petition Date. Furthermore, if you have taken steps to file or assert a lien before entering into this Vendor Agreement, you agree to take all necessary steps to remove the lien as soon as possible at your sole cost and expense;

f. that if you fail to comply with the terms and provisions of this Vendor Agreement, (a) Recombinetics may demand repayment in cash or otherwise take all action to have such payment be deemed to be an improper post-petition transfer on account of a prepetition claim and (b) upon recovery by Recombinetics, your prepetition claim will be reinstated as if the payment had not been made, and you must file a reinstated claim by the later of (i) the general bar date established by order of the Bankruptcy Court or (ii) 30 days after Recombinetics provides written notice to the party of the reinstatement of its claim; and (c) if Recombinetics owe the Vendor any post-petition amounts, Recombinetics may recharacterize and apply any payment made pursuant to an order entered in connection with the Motion to reduce such outstanding post-petition amounts, and Recombinetics may then take any and all appropriate steps to cause such Vendor to return payments made to it on account of its prepetition claim to the extent such payments exceed the post-petition amounts then owing to such Vendor; and

g. that you will keep the existence and the terms of this Vendor Agreement confidential and will not disclose it to any person or entity without the prior written consent of Recombinetics, other than as required by law to any court or governmental authority.

Recombinetics and you also hereby agree that any dispute concerning this Vendor Agreement, the Order, or your participation in the Program will be determined by the Bankruptcy Court and that all litigation arising out of or relating to this Vendor Agreement, the Order, or your participation in the Program, or its subject matter, must be commenced in the Bankruptcy Court.

Sincerely,

Recombinetics, Inc.

By:________________________________
Title:_______________________________

Agreed and Accepted:

By:_______________________________
Title:______________________________
Dated:_____________________________