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The following constitutes the order of the Court.
Signed: March 8, 2019

William J. Lafferty, III
William J. Lafferty, III
U.S. Bankruptcy Judge

Proposed Attorney for
ARADIGM CORPORATION
Debtor and Debtor-in-Possession

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA, OAKLAND DIVISION

In re
ARADIGM CORPORATION

CASE NO. 19-40363 WJL

Chapter 11

**INTERIM ORDER AUTHORIZING
DEBTOR AND DEBTOR IN POSSESSION
TO CONTINUE EXISTING CASH
MANAGEMENT SYSTEM, AND
MAINTAIN EXISTING BANK
ACCOUNTS AND BUSINESS FORMS**

Date: March 6, 2019
Time: 10:30 a.m.
Judge: William J. Lafferty

This matter came before the Court on March 6, 2019, on the motion (the "Motion") of Aradigm Corporation, as debtor and debtor in possession (the "Debtor") in the above-captioned chapter 11 case (the "Chapter 11 Case"), pursuant to sections 105(a), 363(b), and 363(c) of title 11 of the United States Code (the "Bankruptcy Code") and Rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), requesting interim and final authority, in the ordinary course of business and consistent with the Debtor's prepetition practices, to continue operating its existing cash management system (the "Cash Management System"), as described herein, including the continued maintenance of the existing bank accounts (the "Bank Accounts") at the Debtor's bank (the "Bank"), and (b) maintain existing business forms. Bennett G. Young of Jeffer Mangels Butler & Mitchell, LLP appeared on behalf of the Debtor; other appearances are

1 noted in the record of the hearing.

2 The Court having determined that it has jurisdiction to consider the Motion pursuant to 28
3 U.S.C. §§ 157 and 1334, the *Order Referring Bankruptcy Cases and Proceedings to Bankruptcy*
4 *Judges*, General Order 24 (N.D. Cal.), and Rule 5011-1(a) of the Bankruptcy Local Rules for the
5 United States District Court for the Northern District of California (the "Bankruptcy Local Rules").
6 This is a core proceeding pursuant to 28 U.S.C. § 157(b) and that venue is proper before the Court
7 pursuant to 28 U.S.C. §§ 1408 and 1409, and the Court having found and determined that good and
8 sufficient notice of the Motion and an opportunity to be heard thereon has been provided, and it
9 appearing that the relief requested in the Motion is necessary to avoid immediate and irreparable
10 harm to the Debtor and its estate as contemplated in Bankruptcy Rule 6003, and it is in the best
11 interests of the Debtor, its estate and all parties in interest, and good cause appearing

12 IT IS HEREBY ORDERED THAT:

- 13 1. The Motion is granted on an interim basis, as provided herein.
- 14 2. The Debtor is authorized to continue to maintain and manage its cash pursuant to the
15 Cash Management System in the same manner as before the Petition Date.
- 16 3. The Debtor is authorized to (i) maintain and continue to use its existing Bank
17 Accounts in the names and with the account numbers existing immediately before the Petition Date,
18 (ii) deposit funds in and withdraw funds from such accounts by all usual means, including, without
19 limitation, checks, wire transfers, ACH transfers, and other debits, and (iii) treat their prepetition
20 Bank Accounts for all purposes as debtor in possession accounts.
- 21 4. The Debtor and the Bank are excused from compliance with 11 U.S.C. section
22 345(b) with respect to the Bank Accounts.
- 23 5. The Debtor shall stamp on all checks drawn on its accounts "Debtor in Possession,
24 Case No. 19-40363."
- 25 6. The Debtor's Bank is authorized to debit the Debtor's accounts in the ordinary
26 course of business without the need for further order of this Court for: (i) all checks drawn on the
27 Debtor's accounts which are cashed at such Bank's counters or exchanged for cashier's checks by
28 the payees thereof prior to the Petition Date; (ii) all checks drawn on the Debtor's accounts dated

1 after the Petition Date which are cashed at such Bank's counters or exchanged for cashier's checks
2 by the payees thereof after the Petition Date; and (iii) all undisputed prepetition amounts
3 outstanding as of the date hereof, if any, owed to any Bank as service charges for the maintenance
4 of the Cash Management System.

5 7. Those certain existing deposit agreements between the Debtors and its existing
6 depository and disbursement banks shall continue to govern the postpetition cash management
7 relationship between the Debtor and the Bank, and that all of the provisions of such agreements,
8 including, without limitation, the termination and fee provisions, shall remain in full force and
9 effect.

10 8. The Debtor and the Bank may, without further Order of this Court, agree to and
11 implement changes to the cash management systems and procedures in the ordinary course of
12 business, including, without limitation, the opening and closing of bank accounts at an approved
13 depository bank.

14 9. The Debtor shall attach copies of all checks issued by it to its monthly operating
15 reports.

16 10. A final hearing on the Motion shall be held on March 27, 2019 at 10:30 a.m. before
17 the Honorable William Lafferty, United States Bankruptcy Judge.

18 * * * END OF ORDER * * *

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COURT SERVICE LIST

All parties will be served via e-filing notifications