

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

In Re: § Chapter 11
§
NUVECTRA CORPORATION,¹ § Case No. 19-43090
§
Debtor. §

NOTICE OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES THAT MAY BE ASSUMED AND ASSIGNED IN CONNECTION WITH THE SALE OF THE DEBTOR’S ASSETS AND THE PROPOSED CURE COSTS WITH RESPECT THERETO

YOU ARE RECEIVING THIS NOTICE OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES THAT MAY BE ASSUMED AND ASSIGNED IN CONNECTION WITH THE SALE OF THE DEBTOR’S ASSETS AND THE PROPOSED CURE COST WITH RESPECT THERETO (THE “NOTICE OF PROPOSED CURE AMOUNTS”) BECAUSE YOU MAY BE A COUNTERPARTY TO AN EXECUTORY CONTRACT OR UNEXPIRED LEASE WITH ONE OR MORE OF THE DEBTOR. PLEASE READ THIS NOTICE CAREFULLY AS YOUR RIGHTS MAY BE AFFECTED BY THE TRANSACTIONS DESCRIBED HEREIN.

PLEASE TAKE NOTICE that on December 20, 2019, the debtor and debtor in possession in the above-captioned chapter 11 case (the “Debtor”) filed a motion (the “Motion”)² with the United States Bankruptcy Court for the Eastern District of Texas (the “Bankruptcy Court”) seeking, among other things, entry of an order (the “Bidding Procedures Order”): (i) approving the proposed bidding procedures (the “Bidding Procedures”) by which the Debtor will solicit offers for the sale of its assets (the “Assets”) in one or more transactions (collectively, the “Sale Transaction” or “Sale”); (ii) authorizing the Debtor to select one or more stalking horse bidders (each a “Stalking Horse Bidder”), if any, and the provision of Stalking Horse Protections (as defined below) without further notice or order from this Court; (iii) establishing procedures for the assumption and assignment of executory contracts and unexpired leases, including approval of a notice of proposed cure amounts (the “Assumption and Assignment Procedures”); (iv) approving the form and manner of notice with respect to certain procedures, protections, schedules, and agreements described herein and attached hereto; (v) scheduling (a) an auction (the “Auction”) and (b) a final hearing (the “Sale Hearing”) to approve the Sale; and (vi) granting related relief.

¹ The last four digits of the Debtor’s federal tax identification number are: 3847. The location of the Debtor’s principal place of business and the service address for the Debtor is: 5830 Granite Parkway, Suite 1100, Plano, TX 75024.

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion or the Bidding Procedures Order, as applicable.



PLEASE TAKE FURTHER NOTICE that on January 13, 2020, the Bankruptcy Court entered the Bidding Procedures Order [D.I. 169].

PLEASE TAKE FURTHER NOTICE that the Bidding Procedures Order, among other things, established procedures for the assumption and assignment of certain executory contracts and unexpired leases that the Debtor believes it might seek to assume and assign in connection with a Sale Transaction (collectively, the “Contracts”) to a purchaser and the determination of related Cure Costs (as defined below). The Debtor is party to numerous Contracts and, in accordance with the Bidding Procedures Order, hereby files this notice identifying (i) the Contracts, which may be assumed and assigned to a Successful Bidder in connection with the Sale Transaction, and (ii) the proposed amounts, if any, the Debtor believes are owed to the counterparty to the Contract to cure any defaults or arrears existing under the Contract (the “Cure Costs” and collectively with the Contracts, the “Contract List”), both as set forth on **Exhibit 1** attached hereto. Other than the Cure Costs listed on **Exhibit 1**, the Debtor is not aware of any amounts due and owing under the Contracts listed therein. A copy of the Contract List can be found on the case website at www.kccllc.net/nuvectra.

PLEASE TAKE FURTHER NOTICE that the hearing to approve the sale of the Assets (the “Sale Hearing”) will be held before the **Brenda T. Rhoades, United States Bankruptcy Court, 660 North Central Expressway, Suite 300B, Plano, Texas 75074 on March 6, 2020 at 10:00 a.m. (prevailing Central Time)**.

PLEASE TAKE FURTHER NOTICE that the listing of a Contract on **Exhibit 1** does not constitute an admission that the Contract is an executory contract or unexpired lease as contemplated by section 365(a) of the Bankruptcy Code or that the Debtor has any liability thereunder, and the Debtor expressly reserves all of its rights, claims, causes of action, and defenses with respect to the Contracts listed on **Exhibit 1**. Additionally, the listing of a Contract on **Exhibit 1** does not mean that a Successful Bidder intends to have such Contract assumed and assigned.

PLEASE TAKE FURTHER NOTICE that to the extent a counterparty to a Designated Contract listed on this Notice of Proposed Cure Amounts objects to the proposed Cure Costs, if any, such counterparty must file and serve an objection (a “Cure Cost Objection”). All Cure Cost Objections must (i) state, with specificity, the legal and factual basis for the objection as well as what Cure Costs are required, if any, (ii) include appropriate documentation in support thereof, and (iii) be filed and served on the Objection Recipients no later than **March 2, 2020 at 5:00 p.m. (prevailing Central Time) (the “Objection Deadline”)**.

PLEASE TAKE FURTHER NOTICE that the Objection Recipients are: (a) the Debtor, (i) Norton Rose Fulbright US LLP (Attn: Ryan Manns), 2200 Ross Avenue, Suite 3600, Dallas, Texas 75201-7932, ryan.manns@nortonrosefulbright.com, (ii) Dorsey & Whitney, LLP (Attn: Laura Kalesnik), 300 Crescent Court, Suite 400, Dallas, Texas 75201, kalesnik.laura@dorsey.com, (iii) Stout Risius Ross Advisors, LLC (Attn: Michael Krakovsky), 10100 Santa Monica Boulevard, Suite 1050, Los Angeles, California 90067, mkrakovsky@stout.com; (b) counsel for Oxford Finance LLC, the Collateral Agent, Greenberg Traurig, LLP (Attn: Shari Heyen and David Eastlake) 1000 Louisiana Street, Suite 1700, Houston, Texas 77002, heyens@gtlaw.com and

eastlaked@gtlaw.com; (c) counsel for the Official Committee of Unsecured Creditors, (i) Barnes & Thornburg LLP (Attn: Connie Lahn and Peter Clark), 225 South Sixth Street, Suite 2800, Minneapolis, Minnesota, connie.lahn@btlaw.com and peter.clark@btlaw.com, and (ii) Thompson & Knight LLP (Attn: Demetra Liggins), 811 Main Street, Suite 2500, Houston, Texas 77002, demetra.liggins@tklaw.com; and (d) the Office of the United States Trustee, U.S. Department of Justice (Attn: Marc Salitore), 110 N. College Avenue, Suite 300, Tyler, Texas 75702, marc.f.salitore@usdoj.gov (collectively, the “Objection Recipients”)

PLEASE TAKE FURTHER NOTICE THAT IF A COUNTERPARTY TO A CONTRACT FILES AN OBJECTION IN A MANNER THAT IS CONSISTENT WITH THE REQUIREMENTS SET FORTH ABOVE, AND THE PARTIES ARE UNABLE TO CONSENSUALLY RESOLVE THE DISPUTE PRIOR TO THE SALE HEARING, THE AMOUNT TO BE PAID OR RESERVED WITH RESPECT TO SUCH OBJECTION WILL BE DETERMINED AT THE SALE HEARING, SUCH LATER HEARING DATE THAT THE DEBTOR DETERMINES IN ITS DISCRETION, OR SUCH OTHER DATE DETERMINED BY THIS COURT. ALL OTHER OBJECTIONS TO THE PROPOSED ASSUMPTION AND ASSIGNMENT OF THE DEBTOR’S RIGHT, TITLE, AND INTEREST IN, TO, AND UNDER THE CONTRACTS WILL BE HEARD AT THE SALE HEARING.

PLEASE TAKE FURTHER NOTICE that the Auction shall occur on February 27, 2020, the Debtor shall post on the case website at www.kccllc.net/nuvectra and file on the docket a list of the executory contracts and unexpired leases that the Successful Bidder and the Backup Bidder seek to have assumed and assigned (the “Designated Contracts”). If a counterparty to a Designated Contract objects to the assignment of a Designated Contract (other than on account of the amount of the proposed Cure Costs) or whether the Successful Bidder or the Backup Bidder can provide adequate assurance of future performance, that counterparty must file an objection (an “Adequate Assurance Objection”) by the Objection Deadline and serve the Adequate Assurance Objection on the Objection Recipients. All Adequate Assurance Objections will be resolved at the Sale Hearing or, in the Debtor’s discretion, adjourned to a later hearing.

PLEASE TAKE FURTHER NOTICE that if the counterparty to a Designated Contract does not timely file and serve an objection that is consistent with the requirements set forth above, such counterparty will be deemed to have consented to the assumption and assignment of the Designated Contract to a Successful Bidder, notwithstanding any anti-alienation provision or other restriction on assumption or assignment in the Designated Contract, and shall be forever barred from asserting any objection with regard to such assumption and assignment and/or Cure Costs set forth in **Exhibit 1**.

PLEASE TAKE FURTHER NOTICE that this Notice of Proposed Cure Costs is subject to the terms and conditions of the Motion and the Bidding Procedures Order, with such Bidding Procedures Order controlling in the event of any conflict, and the Debtor encourages parties-in-interest to review such documents in their entirety. Parties with questions regarding the Assumption and Assignment Procedures contained herein should contact the Debtor’s counsel at the contact information provided herein.

PLEASE TAKE FURTHER NOTICE that the inclusion of a Contract on this Notice of Proposed Cure Costs will not obligate the Debtor to assume any Contract listed thereon or the Successful Bidder to take assignment of such Contract. Only those Contracts that are included on a schedule of assumed and assigned executory contracts and unexpired leases attached to the final purchase agreement with the Successful Bidder will be assumed and assigned to the Successful Bidder.

Exhibit 1

Contract List

| | CONTRACT COUNTERPARTY | CONTRACT | CURE AMOUNT |
|-----|------------------------------|---|--------------------|
| 1. | 105 Edgeview Owner LP | Office Lease | \$1,137.51 |
| 2. | Aleva Neurotherapeutics S.A. | Development Agreement | \$0 |
| 3. | Aleva Neurotherapeutics SA | Amended and Restated Development Agreement | \$0 |
| 4. | Aleva Neurotherapeutics SA | Amendment to the Development Agreement | \$0 |
| 5. | Aleva Neurotherapeutics SA | License Agreement | \$0 |
| 6. | Aleva Neurotherapeutics SA | Second Amendment to the Development Agreement | \$0 |
| 7. | Ben Tranchina | Severance Agreement | \$333,175.00 |
| 8. | BMT Ann Arbor, LLC | Business Property Lease Agreement | \$0 |
| 9. | Bonnie Schmidt | Severance Agreement | \$209,000.00 |
| 10. | Concur Technologies Inc. | Finance Contract | \$7,342.06 |
| 11. | Dr. Fred B. Parks | Employment Agreement | \$1,650,000.00 |
| 12. | Greatbatch Ltd | Integer Supply Agreement | \$0 |
| 13. | Greatbatch Ltd | Plano Sublease Contract | \$0 |
| 14. | Greatbatch, Inc | Employee Matters Agreement | \$0 |
| 15. | Greatbatch, Inc | Product Component and Framework Agreement | \$0 |
| 16. | Greatbatch, Inc | Restricted License Agreement | \$0 |
| 17. | Greatbatch, Inc | Tax Matters Agreement | \$0 |
| 18. | Greatbatch, Inc | Transition Services Agreement | \$0 |
| 19. | Greatbatch, Inc | Unrestricted License Agreement | \$0 |

| | CONTRACT COUNTERPARTY | CONTRACT | CURE AMOUNT |
|-----|---|--|--------------------|
| 20. | Honigman LLP | Stock Purchase Agreement | \$0 |
| 21. | Integer Holdings Corporation (f/k/a Greatbatch, Inc.) | Amendment No. 2 to the Transition Services Agreement | \$0 |
| 22. | J. Paul Hanchin | Separation and Release Agreement | \$0 |
| 23. | Jennifer Kosharek | Employment Agreement | \$525,000.00 |
| 24. | Legacy 401K Partners | Finance Contract | \$11,764.67 |
| 25. | Minnetronix, Inc. | Business Agreement | \$0 |
| 26. | Minnetronix, Inc. | First Amendment to Business Agreement | \$0 |
| 27. | Minnetronix, Inc. | Letter Agreement | \$0 |
| 28. | Minnetronix, Inc. | Manufacturing and Supply Addendum | \$0 |
| 29. | Minnetronix, Inc. | Manufacturing and Supply Amendment | \$0 |
| 30. | Morgan Stanley | Finance Contract | \$6,250.00 |
| 31. | MRIDT Inc. | R&D Contract | \$26,962.50 |
| 32. | Namely Inc. | Finance Contract | \$4,851.80 |
| 33. | NASDAQ Corporate Solutions LLC | Finance Contract | \$1,609.00 |
| 34. | NEL Group, Inc. | Stock Purchase Agreement | \$0 |
| 35. | NeuroNexus Technologies, Inc. | Business Property Lease Agreement | \$0 |
| 36. | Nitel Inc. | Utility Contract | \$1,492.08 |
| 37. | Oxford Finance LLC | Warrants to Purchase Stock | \$0 |
| 38. | Piper Jaffray & Co. | Finance Contract | \$80,445.00 |
| 39. | RDG Filings | Finance Contract | \$0 |

| | CONTRACT COUNTERPARTY | CONTRACT | CURE AMOUNT |
|-----|----------------------------------|---|------------------------|
| 40. | Regulatory and Quality | Regulatory Contract | \$14,185.04 |
| 41. | SVB Financial Group | First Amendment to Warrant to Purchase Common Stock | \$0 |
| 42. | SVB Financial Group | Warrants to Purchase Stock | \$0 |
| 43. | West LLC | Finance Contract | \$7,981.59 |
| 44. | Yohannes Iyassu | Severance Agreement | \$91,000.00 |