

SO ORDERED.

SIGNED this 8th day of September, 2020.



Lena Mansori James
LENA MANSORI JAMES
UNITED STATES BANKRUPTCY JUDGE

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF NORTH CAROLINA
GREENSBORO DIVISION

In Re:)	
)	CASE NO. 20-10247
Randolph Hospital, Inc. d/b/a Randolph Health,)	
)	CHAPTER 11
)	
Debtors. ¹)	
)	

ORDER (I) APPROVING AUCTION AND BIDDING PROCEDURES IN CONNECTION WITH THE SALE OF SUBSTANTIALLY ALL OF THE DEBTORS' ASSETS, (II) PERMITTING DEBTORS TO DESIGNATE STALKING HORSE PURCHASER AND GRANT BID PROTECTIONS, (III) APPROVING PROCEDURES RELATED TO THE ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES, (IV) SCHEDULING AUCTION AND SALE HEARING, (V) APPROVING THE FORM AND MANNER OF SALE NOTICE, AND (VI) GRANTING RELATED RELIEF

Upon the *Motion of Debtors for Entry of an Order (A) Approving Auction and Bidding Procedures, (B) Permitting the Debtors to Designate a Stalking Horse Purchaser and Grant Bid Protections, (C) Approving Procedures Related to the Assumption and Assignment of Executory*

¹ The Debtors are Randolph Hospital, Inc. d/b/a Randolph Health, Case No. 20-10247; Randolph Specialty Group Practice, Case No. 20-10248' and MRI of Asheboro, LLC d/b/a Randolph MRI Center, Case No. 20-10249.

Contracts and Unexpired Leases, (D) Scheduling Auction and Sale Hearing; and (E) Approving the Form and Manner of the Sale Notice (the "Motion"),² all as more fully set forth in the Motion; and the Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. §157(b)(2); and venue being proper before this Court pursuant to 28 U.S.C. §§1408 and 1409, and due and proper notice of the Motion having been provided to the necessary parties; and it appearing that no other or further notice need be provided; and a hearing having been held to consider the relief requested in the Motion (the "Hearing"); and the appearances of all interested parties having been noted in the record of the Hearing; and upon the record of the Hearing; and after consideration of the declaration of Andrew Turnbull in support of the Motion and the entire record in this case; and the Court having determined that the procedural relief sought in the Motion, as modified herein, is in the best interests of the Debtors, their creditors, and all parties in interest; and the Court having determined that the Debtors have demonstrated a compelling and sound business justification for the relief requested in the Motion, as modified herein, and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefore, it is hereby:

FOUND AND DETERMINED THAT:

A. On August 28, 2020, the Debtors entered into an Asset Purchase Agreement (the "Stalking Horse Agreement") with The Dava Foundation Inc. ("Dava" or "Stalking Horse")

² **A list of defined terms is attached as Exhibit 4.** Any capitalized terms not defined herein shall have the same meanings ascribed to such terms in the Motion.

Purchaser”) for substantially all of the Debtors’ assets (collectively, the “Acquired Assets” and each asset individually, an “Acquired Asset”) as set forth in the Stalking Horse Agreement and filed their Notice of Proposed Stalking Horse Purchaser [Docket No. 414]. Under the terms of the Stalking Horse Agreement, the Debtors have negotiated a breakup fee of \$120,000 and expense reimbursement not to exceed \$80,000 (the “Bid Protections”).

B. The Debtors have demonstrated a compelling and sound business justification for this Court to grant the relief requested in the Motion to the extent provided herein, including, without limitation, (i) approval of the Bidding Procedures, (ii) granting the Debtors the authority to designate Dava as the Stalking Horse Purchaser, (iii) approval the Bid Protections, and (iv) approval of the Assignment and Assumption Procedures, under the circumstances described herein.

C. The Bidding Procedures, attached hereto as **Exhibit 1** and incorporated herein by reference, are fair, reasonable and appropriate and designed to preserve the Debtors’ operations and maximize recoveries for the Debtors and their estates with respect to any Transaction.

D. The proposed Bid Protections, subject to the terms herein, are fair, reasonable and appropriate and provide a benefit to the Debtors’ estates and creditors.

E. The Overbid Increment is fair, reasonable and appropriate and provides a benefit to the Debtors’ estates and creditors.

F. The Sale Notice, substantially in the form attached hereto as **Exhibit 2**, is appropriate and reasonably calculated to provide all interested parties with timely and proper notice of the sale of the Acquired Assets, the Bidding Procedures, the Auction and the Sale Hearing, and no other or further such notice is required.

G. The Cure Notice, substantially in the form attached hereto as **Exhibit 3**, is appropriate and reasonably calculated to provide all interested parties with timely and proper notice of the potential assumption and assignment of the Designated Contracts in connection with the sale of the Acquired Assets and the related Cure Amount, and no other or further such notice is required, except as additions and/or deletions are made to the list of Designated Contracts and/or the cure amounts and/or any adequate assurance of future performance, in which case the party to the affected Designated Contract shall receive notice as provided by the Assumption and Assignment Procedures.

IT IS, THEREFORE, ORDERED, ADJUDGED AND DECREED THAT

1. The Motion is GRANTED on the terms set forth herein.

2. The Bidding Procedures, attached hereto as **Exhibit 1**, are hereby approved, are incorporated herein by reference, and shall govern all bids and bid procedures relating to the Auction and sale(s) of the Acquired Assets. The Debtors, in consultation with the Consultation Parties, are authorized to take any and all actions consistent with the terms of this Order necessary or appropriate to implement the Bidding Procedures in accordance with the following timeline:

3 business days after entry of the Bidding Procedures Order	Initial Deadline to file Cure Notice, subject to further additions and/or deletions
October 1, 2020 at 5:00 pm (ET)	Bid Deadline
October 2, 2020 at 5:00 pm (ET)	Deadline for Debtors to notify bidders of Qualified Bids
October 5, 2020 at 10:00 am (ET)	Auction to be conducted either virtually on procedures shared with all Qualified Bidders and the Consultation Parties or at the offices of Nelson Mullins Riley & Scarborough, LLP, GlenLake One, 4140 Parklake Avenue, Suite 200, Raleigh, NC 27612

October 7, 2020	Deadline for Debtors to file Notice of Successful Bidder and Next Best Bidder
October 12, 2020	Cure Objection Deadline
October 16, 2020	Sale Objection Deadline
October 20, 2020	Deadline to file Reply to any Sale Objection or Cure Objection
October 22, 2020 at 9:30 am (ET)	Sale Hearing

3. The Bid Protections (i) are approved and allowed as an administrative expense under section 503 of the Bankruptcy Code and (ii) shall be payable to the Stalking Horse Purchaser at the closing of the sale to a Successful Bidder other than the Stalking Horse Purchaser solely from the proceeds from such sale.

4. The Sale Notice attached hereto as **Exhibit 2** is hereby approved.

5. The deadline for submitting a Qualified Bid in accordance with the Bidding Procedures shall be **October 1, 2020 at 5:00 p.m. (prevailing Eastern Time)** (the "Bid Deadline", which may be extended by the Debtors in consultation with the Consultation Parties).

6. Subject to the provisions of the Bidding Procedures, the Debtors are authorized to solicit, initiate, encourage, facilitate or take any other action designed to facilitate any inquiries or proposals regarding any sale of assets, assumption of liabilities or similar transactions with third parties until the Bid Deadline.

7. If the Debtors receive only one Qualified Bid by the Bid Deadline (including the bid submitted by a Stalking Horse Purchaser (a "Stalking Horse Bid")), the Debtors shall not be required to hold an Auction for the Acquired Assets and the Debtors shall determine, in their business judgment, in consultation with the Consultation Parties, whether to seek this Court's approval of the sale of the Acquired Assets to such Qualified Bidder. All rights and objections of all parties in interest, including the Committee, with respect to any request by

the Debtors for approval of a sale of any Acquired Assets to a Qualified Bidder (including the Stalking Horse Purchaser) as contemplated in this paragraph are expressly reserved and preserved and may be raised in connection with any such Sale Hearing.

8. If the Debtors timely receive two or more Qualified Bids (including the Stalking Horse Bid), the Debtors shall conduct the Auction on **October 5, 2020 at 10:00 a.m. (prevailing Eastern Time)** at the offices of Nelson Mullins Riley & Scarborough, LLP, GlenLake One, 4140 Parklake Avenue, Suite 200, Raleigh, NC 27612 or such later time, format or such other place as the Debtors, in consultation with the Consultation Parties, shall designate in a subsequent notice to all Qualified Bidders.

9. Only Qualified Bidders may participate in the Auction. Each such Qualified Bidder participating in the Auction may be required to confirm that it has not engaged in any collusion with respect to the bidding or the sale. The Auction may be videotaped and/or transcribed.

10. The Acquired Assets may be sold collectively or each Acquired Asset may be offered individually or in groupings at the Auction as determined by the Debtors, in consultation with the Consultation Parties, to generate the highest or otherwise best offer(s). The Debtors may employ and announce at the Auction, in consultation with the Consultation Parties, additional procedural rules for conducting the Auction, provided that such rules are (i) not inconsistent with the Bankruptcy Code, or any other order of the Court and (ii) disclosed to each Qualified Bidder at the Auction.

11. All bidders at the Auction shall be deemed to have consented to the Bidding Procedures and to the core jurisdiction of this Court, waived any right to a jury trial in connection with any disputes relating to the Auction, the sale and the construction and

enforcement of their respective asset purchase agreement, and, except as otherwise provided in this Order and the Bidding Procedures, waived any claim for expense reimbursement or a breakup fee.

12. Within three (3) business days after entry of this Order, the Debtors shall serve notice of the Sale Notice, substantially in the form attached hereto as **Exhibit 2**, by first class mail on the following persons:

- i. counsel to the Stalking Horse Purchaser;
- ii. all applicable health regulatory agencies and taxing authorities;
- iii. the Office of the Bankruptcy Administrator for the Middle District of North Carolina;
- iv. the United States Attorney's Office for the Middle District of North Carolina;
- v. any entity known or reasonably believed to have asserted a security interest in or lien against any of the Acquired Assets;
- vi. counsel for the Committee;
- vii. the Debtors' 20 largest unsecured creditors on a consolidated basis;
- viii. any party that has filed a notice of appearance in these cases;
- ix. any party who the Debtors or their professionals, in consultation with the Committee, believe would have an interest in purchasing the Acquired Assets.

13. At such time as the Debtors determine, in consultation with the Consultation Parties, the Successful Bidder(s) in accordance with the Bidding Procedures, the Debtors shall file a notice with the Court identifying the Successful Bidder(s) and if the Debtors, in consultation with the Consultation Parties, deem there to be one, the Next Best Bidder (the "Successful Bidder Notice"); *provided, however*, the Debtors shall file the Successful Bidder Notice no later than October 7, 2020. The Successful Bidder Notice shall be served by telecopy, electronic mail transmission, or overnight delivery upon the following entities: (a) the Office of

the Bankruptcy Administrator for the Middle District of North Carolina; (b) counsel to the Committee and Bank of America; (c) counsel to the Stalking Horse Purchaser; (d) all applicable health regulatory agencies and taxing authorities; (e) the United States Attorney's Office for the Middle District of North Carolina; (f) all known parties that may be asserting a lien against the Acquired Assets; (g) all Qualified Bidders that have submitted a Qualified Bid; (h) all non-debtor counterparties to the Designated Contracts proposed to be assumed and assigned under the Successful Bid; and (i) all parties that have requested notice pursuant to Bankruptcy Rule 2002. The Successful Bidder Notice shall include (i) the Designated Contracts included in the Successful Bid or Next Best Bid, subject to subsequent additions and/or deletions to the list of Designated Contracts, cure amounts and/or adequate assurances of future performance; (ii) the proposed assignee(s) of such Designated Contracts; and (iii) instructions for contacting the Successful Bidder to obtain further adequate assurance information, which may be provided to each affected non-Debtor contract counterparty on a confidential basis.

14. The Assumption and Assignment Procedures are hereby approved on the terms set forth herein.

15. Within three (3) business days from entry of this Order, the Debtors will file the initial Cure Notice, substantially in the form attached hereto as **Exhibit 3** (the "Cure Notice") with the Court and serve such Cure Notice by first-class mail on the non-debtor counterparties to the Designated Contracts. The Cure Notice substantially in the form attached hereto as **Exhibit 3** is hereby approved. The Debtors reserve the right to amend, modify, or supplement the Cure Notice, including adding or deleting contracts to be assumed and assigned, cure amounts and/or adequate assurances of future performance (a "Supplemental Cure Notice"). The Debtors shall file the Supplemental Cure Notice(s) with the Court and serve the

Supplemental Cure Notice by first-class mail, or in the manner provided by Federal Rule of Bankruptcy Procedure 7004, on the non-debtor counterparties to the Designated Contracts which are added to or deleted from the Supplemental Cure Notice and whose proposed treatment is otherwise modified by the Supplemental Cure Notice.

16. Any objection to the Cure Amount set forth on the Cure Notice or Supplemental Cure Notice (a "Cure Objection") must (a) be in writing, (b) set forth the basis for the objection as well as any cure amount that the objector asserts to be due (in all cases with appropriate documentation in support thereof), and (c) be filed with the Clerk of the Court, United States Bankruptcy Court for the Middle District of North Carolina, Greensboro Division, 101 South Edgeworth Street, Greensboro, NC 27401, and served on the following: (i) counsel to the Debtors, Nelson Mullins Riley & Scarborough, LLP, 1320 Main Street, 17th Floor, Columbia, South Carolina 29201, Attn: Jody A. Bedenbaugh and Rebecca Finch Redwine, Hendren, Redwine & Malone, PLLC, 4600 Marriott Drive, Suite 150, Raleigh, NC 27612; (ii) counsel to the Committee; (iii) counsel to the Stalking Horse Purchaser; and (iv) the Office of the Bankruptcy Administrator for the Middle District of North Carolina (the "Contract Notice Parties"), so as to be actually received by the later of **(a) October 12, 2020 or (b) ten (10) days after service of a Supplemental Cure Notice** (the "Cure Objection Deadline"). All rights and objections of the Committee with respect to any asserted Cure Amounts identified on the Cure Notice or any Supplemental Cure Notice are expressly reserved and preserved.

17. Any other objection to the assumption and assignment of any Designated Contract identified on the Cure Notice (aside from an objection to the Cure Amount), including any objection on the basis of adequate assurance of future performance by a Successful Bidder, shall be filed and served on the Contract Notice Parties, as well as counsel for the Successful

Bidder, so as to be actually received on or before the later of (a) **October 16, 2020** or (b) **ten (10) days service receipt of a Supplemental Cure Notice**

18. To the extent that any entity does not timely object as set forth above, such entity shall be (a) forever barred from objecting to the assumption and assignment of its respective Designated Contracts identified on the Cure Notice or Supplemental Cure Notice, including, without limitation, asserting any additional cure payments or requesting additional adequate assurance of future performance, (b) deemed to have consented to the applicable Cure Amount, if any, and to the assumption and assignment of the applicable Designated Contract, (c) bound to such corresponding Cure Amount, if any, (d) deemed to have agreed that the Successful Bidder has provided adequate assurance of future performance within the meaning of section 365(b)(1)(C) of the Bankruptcy Code, (e) deemed to have agreed that all defaults under the applicable Designated Contract arising or continuing prior to the effective date of the assignment have been cured as a result or precondition of the assignment, such that the Successful Bidder and/or the Debtors shall have no liability or obligation with respect to any default occurring or continuing prior to the assignment, and from and after the date of the assignment the applicable Designated Contract shall remain in full force and effect for the benefit of the Successful Bidder and such entity in accordance with its terms, (f) deemed to have waived any right to terminate the applicable Designated Contract or designate an early termination date under the applicable Designated Contract as a result of any default that occurred and/or was continuing prior to the assignment date, (g) deemed to have agreed that the Debtors are not obligated under the Designated Contracts following the effective date of the assumption and assignment, and (h) deemed to have agreed that the terms of any sale order for the Acquired Assets (the “Sale Order”) shall apply to the assumption and assignment of the applicable Designated Contract.

19. If such an objection is received timely and such objection cannot otherwise be resolved by the parties, the Court may hear such objection at the Sale Hearing or at a later date set by the Court. If a timely objection is filed with respect only to the cure amount listed on the Cure Notice (the “Cure Amount”), the dispute with respect to the Cure Amount will be resolved consensually, if possible, or, if the parties are unable to resolve their dispute, before the Court, and subject to the entry of the Sale Order, the Debtors may consummate the sale of the Acquired Assets and assumption and assignment of the Designated Contracts subject to the Successful Bidder’s reservation of an amount sufficient to pay the Cure Amount asserted in the Cure Objection or, at the Successful Bidder’s option, the Successful Bidder may remove such Designated Contract as one that is to be assumed and assigned at no cost or liability to the Successful Bidder. For the avoidance of doubt, the pendency of a dispute relating to the Cure Amount will not prevent or delay the sale of the Acquired Assets to the Successful Bidder. All rights and objections of the Committee with respect to any disputed Cure Amounts and proposed resolutions in connection therewith are expressly reserved and preserved.

20. If, for any Designated Contract, the Court determines or the parties agree, as applicable, that the Cure Amount exceeds what is set forth in the Cure Notice or the provisions for adequate assurance of future performance are unacceptable to the Designated Contract counterparty, the Successful Bidder may, in its sole discretion, determine not to assume such Designated Contract, with such determination being at no cost to the Successful Bidder. The Successful Bidder must make any such determination on whether to assume a Designated Contract on or before the closing date of any transaction (“Closing Date”). Notwithstanding the foregoing, the Debtors reserve the right to seek assumption and assignment and rejection of

executory contracts and unexpired leases by separate application until the deadlines set forth in Bankruptcy Code Section 365(d).

21. The inclusion of a contract, lease or other agreement on a Cure Notice or Supplemental Cure Notice shall not (a) constitute or be deemed a determination or admission by the Debtors, their estates, or any other party in interest that such contract, lease or other agreement is, in fact, an executory contract or unexpired lease within the meaning of the Bankruptcy Code, and any and all rights with respect thereto shall be reserved or (b) obligate the Debtors to assume and assign such contract, lease or other agreement to the Successful Bidder.

22. Notwithstanding anything in this Order to the contrary, or anything in any subsequent notice relating to the Sale to the contrary, the Debtors shall, no later than thirty (30) days prior to Closing Date, unless extended by agreement of Cigna and the Debtors, provide Cigna (through its counsel which have appeared in these Chapter 11 cases) with written, irrevocable (subject to Closing Date) notice of whether the Debtors propose to assume and assign each of the Cigna Contracts (as defined in the *Objection of Cigna to Motion of Debtors for Entry of Order (A) Approving Auction and Bidding Procedures, (B) Permitting Debtors to Designate Stalking Horse Purchaser and Grant Bid Protections, (C) Approving Procedures Related to the Assumption and Assignment of Executory Contracts and Unexpired Leases, (D) Scheduling Auction and Sale Hearing, and (E) Approving the Form and Manner of Sale Notice* [D.I. 407] (“Cigna Objection”)) to the Successful Bidder as part of the sale. This resolves the Cigna Objection.

23. The Sale Hearing shall be held on **October 22, 2020 at 9:30 a.m. (prevailing Eastern Time)** at the United States Bankruptcy Court for the Middle District of North Carolina, Winston-Salem Division, 601 W. 4th St., Winston-Salem, NC 27101. Due to

the COVID-19 pandemic, and in order to protect public health, access to the courtroom will be limited by the Court. The Sale Hearing may be adjourned or rescheduled, after consultation with the Consultation Parties, without further notice by an announcement of the adjourned date at the Sale Hearing.

24. Any objections to the Sale or the relief requested in connection with the Sale (a “Sale Objection”), other than a Cure Objection, which shall be governed as set forth above, must (a) be in writing, (b) comply with the Bankruptcy Rules and any applicable Local Rules, (c) set forth the name of the objector, (d) state with particularity the legal and factual bases for such objection, and (e) be filed with the Clerk of the Court, United States Bankruptcy Court for the Middle District of North Carolina, Greensboro Division, 101 South Edgeworth Street, Greensboro, NC 27401, together with proof of service thereof, and served on the following parties **so as to be actually received no later than October 16, 2020** (the “Sale Objection Deadline”): (i) counsel to the Debtors, Nelson Mullins Riley & Scarborough, LLP, 1320 Main Street, 17th Floor, Columbia, South Carolina 29201, Attn: Jody A. Bedenbaugh and Rebecca Finch Redwine, Hendren, Redwine & Malone, PLLC, 4600 Marriott Drive, Suite 150, Raleigh, NC 27612; (ii) counsel to the Committee, (iii) counsel to Bank of America; (iv) counsel to the Successful Bidder, (v) counsel to the Next Best Bidder, if any, and (vi) the Bankruptcy Administrator for the Middle District of North Carolina. If a Sale Objection is not filed and served on or before the Sale Objection Deadline in accordance with the foregoing requirements, an objecting party shall be barred from objecting to the Sale and shall not be heard at the Sale Hearing, and this Court may enter the Sale Order without further notice to such party. A form of Sale Order shall be filed with the Court at least two (2) business days prior to the Sale Objection Deadline.

25. The Debtors shall have until **October 20, 2020** to file and serve a reply to any Sale Objection and Cure Objection, except in the case where a Cure Objection is filed after October 12, 2020 in accordance with the provisions herein, in which case the Debtors shall have until the later of (a) October 20, 2020 and (b) ten (10) days after the Cure Objection is filed to respond.

26. Notwithstanding anything to the contrary in any asset purchase agreement, including the Stalking Horse Agreement, or any other agreement for a sale of any of the Acquired Assets or any portion thereof, the Acquired Asset(s) shall not include (i) any cash, cash equivalents and investment property of the Debtors, including, but not limited to, any funds in any of the Debtors' investment or other accounts; *provided, however*, that any interest of the Debtors in StayWell Senior Care, Inc. and/or Randolph Cancer Center, LLC are included in the definition of Acquired Assets that may be sold pursuant to the terms of this Order and the Bidding Procedures attached hereto, (ii) any cause of action or proceeds of such cause of action arising under chapter 5 of the Bankruptcy Code or applicable state law equivalents, and (iii) any commercial or other tort claims (as such term is defined in the Uniform Commercial Code as in effect in the State of New York) arising on or before the closing date of any Transaction, or any proceeds thereof, including, but not limited to, any and all causes of action against present or former directors and officers of the Debtors and/or any of their affiliates.

27. All objections to entry of this Order that have not been withdrawn, waived, or settled as announced to the Court at the Hearing or by stipulation filed with the Court, are overruled.

28. All objections to the sale of the Acquired Assets are preserved for the Sale Hearing in accordance with the terms hereof.

29. In the event there is a conflict between this Order and the Motion or any Stalking Horse Agreement or other purchase agreement, to the extent of such conflict this Order shall control and govern.

30. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, enforcement and/or interpretation of this Order.

31. This Order shall be effective immediately upon entry, and any stay of orders provided for in Bankruptcy Rules 6004 or 6006 or any other provision of the Bankruptcy Code or Bankruptcy Rules is expressly lifted. The Debtors are not subject to any stay in the implementation, enforcement or realization of the relief granted in this Order, and except as directed by the Court in this Order, may in their discretion and without further delay take any action and perform any act authorized under this Order.

32. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

AND IT IS SO ORDERED.

EXHIBIT 1
(Bidding Procedures)

IN RE RANDOLPH HOSPITAL, INC. d/b/a RANDOLPH HEALTH, et al.
BIDDING PROCEDURES

I. GENERAL

On [_____], the United States Bankruptcy Court for the Middle District of North Carolina (the “Court”) entered an order [Docket No.[*]] (the “Bidding Procedures Order”), which among other things, authorized the Debtors to solicit bids and approved the procedures (the “Bidding Procedures”)¹ set forth herein to be employed with respect to one or more proposed sales (each a “Transaction”) of substantially all of the assets (collectively, the “Acquired Assets” and each asset individually, an “Acquired Asset”) of Randolph Hospital, Inc. d/b/a Randolph Health and certain affiliates² (collectively, the “Debtors”).

The Acquired Asset(s) shall not include (i) any cash, cash equivalents and investment property of the Debtors, including, but not limited to, any funds in any of the Debtors’ investment or other accounts; *provided, however*, that any interest of the Debtors in StayWell Senior Care, Inc. and/or Randolph Cancer Center, LLC are included in the definition of Acquired Assets that may be sold pursuant to the terms of this Order and the Bidding Procedures attached hereto, (ii) any cause of action or proceeds of such cause of action arising under chapter 5 of the Bankruptcy Code or applicable state law equivalents, and (iii) any commercial or other tort claims (as such term is defined in the Uniform Commercial Code as in effect in the State of New York) arising on or before the closing date of any Transaction, or any proceeds thereof,

¹ Except as defined herein, all capitalized terms shall have the meanings assigned to them in the Bidding Procedures Order.

² The Debtors are Randolph Hospital, Inc. d/b/a Randolph Health, Case No. 20-10247; Randolph Specialty Group Practice, Case No. 20-10248’ and MRI of Asheboro, LLC d/b/a Randolph MRI Center, Case No. 20-10249.

including, but not limited to, any and all causes of action against present or former directors and officers of the Debtors and/or any of their affiliates.

Subject to the terms of the Bidding Procedures Order, the Debtors have entered into an asset purchase agreement (“Stalking Horse Agreement”) with Dava Foundation Inc. (“Dava” or “Stalking Horse Purchaser”) and designated Dava as the Stalking Horse Purchaser for the Acquired Assets. Under the terms of the Stalking Horse Agreement and the Bidding Procedures Order, the Debtors have negotiated a breakup fee of \$120,000 and expense reimbursement not to exceed \$80,000 (the “Bid Protections”).

The sale of the Acquired Assets is subject to competitive bidding as set forth herein and approval by the Bankruptcy Court pursuant to sections 363 and 365 of title 11 of the United States Code (“Bankruptcy Code”) and Rules 6004 and 6006 of the Federal Rules of Bankruptcy Procedure. The Transaction shall also include the assumption and assignment of certain designated executory contracts and unexpired leases (collectively, the “Designated Contracts”) under sections 363 and 365 of the Bankruptcy Code according to the process outlined below.

At the Sale Hearing (defined below) scheduled to take place on **October 22, 2020 at 9:30 a.m. (prevailing Eastern Time)**, the Debtors will seek approval of the proposed sale of the Acquired Assets to the Qualified Bidder (defined below) that submits the highest and otherwise best offer for the Acquired Assets pursuant to these Bidding Procedures (“Successful Bidder”).

Summary of Important Dates

3 business days after entry of the Bidding Procedures Order	Initial Deadline to file Cure Notice, subject to further additions and/or deletions
October 1, 2020 at 5:00 pm (ET)	Bid Deadline
October 2, 2020 at 5:00 pm (ET)	Deadline for Debtors to notify bidders of Qualified Bids
October 5, 2020 at 10:00 am (ET)	Auction to be conducted either virtually on procedures shared with all Qualified Bidders

	and the Consultation Parties or at the offices of Nelson Mullins Riley & Scarborough, LLP, GlenLake One, 4140 Parklake Avenue, Suite 200, Raleigh, NC 27612
October 7, 2020	Deadline for Debtors to file Notice of Successful Bidder and Next Best Bidder
October 12, 2020	Cure Objection Deadline
October 16, 2020	Sale Objection Deadline
October 20, 2020	Deadline to file Reply to any Sale Objection or Cure Objection
October 22, 2020 at 9:30 am (ET)	Sale Hearing

II. MARKETING BY THE DEBTORS

The Debtors, in consultation with the Consultation Parties, shall (a) coordinate the efforts of potential bidders in conducting their respective due diligence, (b) evaluate bids from potential bidders, (c) negotiate any bid made to acquire the Acquired Assets and assume Designated Contracts, (d) conduct an auction ("Auction") if two or more Qualified Bids (defined below) (including the Stalking Horse Bid) are received for the Acquired Assets collectively or an Acquired Asset, and (e) make such other determinations as are provided in these Bidding Procedures or the Bidding Procedures Order. Neither the Debtors nor their representatives shall be obligated to furnish any information of any kind whatsoever related to the Acquired Assets, or any portion thereof, to any person who is not, in the Debtors' reasonable judgment, in consultation with their advisors and the Consultation Parties, a potential qualified bidder.

III. BID DEADLINE

A potential bidder that desires to make a bid shall deliver the documents and information described in Sections IV and V below to the following persons by email: (i) counsel for the Debtors, Nelson Mullins Riley & Scarborough, LLP, 1320 Main Street, 17th Floor, Post Office

Box 11070 (29211), Columbia, South Carolina 29201, Attn: Jody A. Bedenbaugh (jody.bedenbaugh@nelsonmullins.com), and Rebecca Finch Redwine (redwine@hendrenmalone.com), Hendren, Redwine & Malone, PLLC, 4600 Marriott Drive, Suite 150, Raleigh, NC 27612 and (ii) investment bankers to the Debtors, Houlihan Lokey Capital, Inc., 111 S. Wacker Drive, 38th Floor, Chicago, Illinois 60606, Attn. Andrew Turnbull (ATurnbull@HL.com) and Ben Ilhardt (Bilhardt@HL.com) **so as to be actually received on or before October, 1 2020 at 5:00 p.m. (prevailing Eastern Time) (the "Bid Deadline")**, which deadline may be extended by the Debtors in consultation with the Consultation Parties. No bids submitted after the original or any extended Bid Deadline shall be considered by the Debtors, subject to the provisions in Article VIII below.

IV. DUE DILIGENCE

Subject to a potential bidder entering into a confidentiality agreement satisfactory to the Debtors in their business judgment, the Debtors may afford any potential bidder, whom the Debtors, in consultation with their advisors and the Consultation Parties, believe has the wherewithal to close a sale transaction, the opportunity to conduct a reasonable due diligence review in the manner determined by the Debtors in their discretion, in consultation with the Consultation Parties. The Debtors shall not be obligated to furnish access to any due diligence information of any kind after the Bid Deadline. The Debtors intend to use reasonable efforts to provide to all potential qualified bidders certain information in connection with the proposed sale and assumption and assignment of Designated Contracts, including, among other things, the proposed Bidding Procedures and the Stalking Horse Agreement, but the failure to deliver any such information to any potential bidders shall not affect the validity, effectiveness or

finality of the Auction (as defined below) or the sale process. The Debtors shall promptly provide the Consultation Parties with copies of any and all bids received.

V. REQUIREMENTS FOR QUALIFIED BIDS

A bid will be considered a qualified bid (a "Qualified Bid") and a bidder will be considered a qualified bidder ("Qualified Bidder") only if, in the Debtors' business judgment, in consultation with the Consultation Parties, the bid and bidder (as applicable) satisfy all of the following requirements:

- a. The bid includes an executed original of an asset purchase agreement (a "Purchase Agreement") and ancillary documents at the purchase price and upon the terms and conditions set forth therein, together with a marked copy showing any proposed changes to the Stalking Horse Agreement.
- b. The bid sets forth the proposed purchase price, including the proposed amount to be paid as cash, and identifies the liabilities proposed to be paid or assumed by such bidder.
- c. The bid identifies with particularity which Designated Contracts the bidder elects to have assumed and assigned to it (the "Bidder Designated Contracts" which the bidder reserves the right to add to, delete from, amend, and/or supplement) and provides that either (i) the bidder shall pay all Cure Amounts associated with such Bidder Designated Contracts or (ii) the proposed purchase price includes sufficient net cash at closing to pay all Cure Costs associated with the Bidder Designated Contracts.
- d. The bid is not (i) subject to any due diligence contingency except for lenders and governmental entities making loans or grants to the Qualified Bidder, (ii) except for the Stalking Horse Bid, conditioned on receiving bid protections, or (iii) subject to any future corporate approval of the Purchase Agreement by the bidder.
- e. The bid must describe all regulatory approvals the bidder will need and provide evidence of the bidder's ability to obtain all necessary regulatory approvals in a timely manner, if applicable.
- f. The bid, subject to the contingencies contained in such bid, is formal, binding, and irrevocable until the conclusion of the Sale Hearing, provided that if such potential qualified bidder is selected as (a) the Successful Bidder, its offer shall remain formal, binding, and irrevocable (subject to the terms in the Purchase Agreement), or (b) the Next Best Bidder (as defined below), its offer shall remain formal, binding, and irrevocable until the earlier of (i) the closing of the sale to the Successful Bidder, and (ii) the date that is sixty (60) days after the Sale Hearing.

- g. The bid contains financial and other information to allow the Debtors, in consultation with the Consultation Parties, to make a reasonable determination as to the bidder's financial and other capabilities to close the Transaction contemplated by its Purchase Agreement, including, without limitation, written evidence satisfactory to the Debtors, in consultation with the Consultation Parties, of a firm, irrevocable commitment for debt or equity financing or such other evidence of the bidder's ability to obtain such commitments or otherwise consummate the Transaction.
- h. The bid provides full disclosure of the identity of each entity that will be acquiring an interest in the Acquired Assets or participating in connection with the bid.
- i. The bid provides value to the Debtors' estates that is greater than the sum of (i) the purchase price in the Stalking Horse Bid, (ii) the Bid Protections, (iii) and \$100,000 (the "Initial Bid Amount"); *provided, however* that if two or more bids, when taken as a whole, are determined by the Debtors, in consultation with the Consultation Parties, to provide the Debtors' estates with an aggregate value equal to or greater than the Initial Bid Amount, such bids may satisfy this paragraph.
- j. The bid includes an acknowledgement and representation that the bidder (i) has had an opportunity to conduct any and all required due diligence regarding the Acquired Assets and the Designated Contracts prior to making its bid; (ii) has relied solely upon its own independent review, investigation and/or inspection of any documents and of the Acquired Assets and Designated Contracts in making its bid; (iii) did not rely on any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise) regarding the Acquired Assets and Designated Contracts or the completeness of any information provided in connection therewith or with the Auction, other than as specifically provided in the Purchase Agreement, and (iv) is not entitled and waives any right to assert a claim for any expense reimbursement, breakup fee or similar type of payment in connection with its due diligence and bid.
- k. The bid includes evidence, in form and substance reasonably satisfactory to the Debtors, in consultation with the Consultation Parties, of authorization and approval from the bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the Purchase Agreement, and any amendments thereto negotiated or occasioned by its participation in the Auction.
- l. The bid is accompanied by a good faith deposit in the form of a wire transfer to an escrow agent to be specified by the Debtors ("Escrow Agent"), certified check or such other form acceptable to the Debtors, payable to the order of the Escrow Agent in an amount equal to at least ten percent (10%) of the cash component of the proposed purchase price ("Good Faith Deposit").
- m. The bid contains sufficient information, in the Debtors' business judgment in consultation with their advisors and the Consultation Parties, concerning the potential

- qualified bidder's ability to provide adequate assurance of performance with respect to the Designated Contracts;
- n. The bid includes a commitment to close the Transaction contemplated by the Purchase Agreement promptly upon entry of a Sale Order and satisfaction of all other conditions in the Purchase Agreement.
 - o. The bid includes a provision that such bid will serve as a Next Best Bid if the bid is the next highest and best bid after the Successful Bid, in accordance with the terms of the Purchase Agreement and these Bidding Procedures.
 - p. This bid does not include any limitation on damages of any kind or nature.
 - q. The bidder commits to supplement the bid with other information reasonably requested by the Debtors before or after the Bid Deadline.
 - r. The bid is received by the relevant parties set forth in these Bidding Procedures prior to the Bid Deadline.
 - s. The bid provides contact information, including an email address, whereby the Debtors may communicate electronically with the bidder for, among other things, notification of the time, date and location of the Auction.
 - t. The bid identifies any grant or similar funding from any governmental agencies the receipt of which is a condition for closing and the anticipated terms, requirements, and due diligence for such grant or funding and the bid identifies any loan or similar funding from any lender the receipt of which is a condition for closing and the anticipated terms, requirements, and due diligence for such loan.

The Debtors, in consultation with the Consultation Parties, will review each potential qualified bid received from a potential qualified bidder to ensure that both the bid and the bidder meet the requirements set forth above. A bid from a potential bidder is considered a Qualified Bid only if it meets the above requirements. Each potential bidder that submits a Qualified Bid will be considered a Qualified Bidder. The Debtors shall determine, in the exercise of their reasonable business judgment and in consultation with the Consultation Parties, that a bid is a Qualified Bid. The Debtors, in their business judgment and in consultations with the Consultation Parties, reserve the right to reject any bid, without limitation. Notwithstanding the foregoing, the Stalking Horse Bid shall be deemed a Qualified

Bid for all purposes and at all times, and the Stalking Horse Purchaser is a Qualified Bidder for all purposes and at all times under the Bidding Procedures. By **October 2, 2020 at 5:00 pm**, the Debtors, after consultation with the Consultation Parties, shall notify all bidders whether their respective bid is a Qualified Bid. For all Qualified Bidders, the Debtors shall notify them of the identity of all Qualified Bidders, the assets on which each Qualified Bidders bid, and the respective proposed purchase price of the Qualified Bids.

VI. EVALUATION OF BIDS

The Debtors, in consultation with the Consultation Parties, may value a Qualified Bid based upon any and all factors that the Debtors deem pertinent, including, among other things: (a) the proposed purchase price of the Qualified Bid, the assumption of liabilities, if any, and the assumption and cure obligations for Designated Contracts; (b) the extent of healthcare services in the Debtors' service area which are proposed to be offered by the Qualified Bidder; (c) the risks and timing associated with consummating the proposed Transaction with the Qualified Bidder, including without limitation all necessary regulatory approvals; (d) the risks associated with any extent of a non-cash consideration in any Qualified Bid; (e) any assets to be retained by the Debtors' estates; (f) the Qualified Bidder's experience in managing healthcare assets; (g) the Qualified Bidder's financial situation and relevant wherewithal; (h) any proposed modifications to the terms set forth in the Stalking Horse Agreement and/or the proposed Sale Order; (i) the probability that a prompt closing will occur; and (j) any other factors the Debtors, in consultation with the Consultation Parties, may deem relevant to the proposed transaction.

VII. DEPOSITS

The Good Faith Deposits of all Qualified Bidders shall be held by counsel for the Debtors. The Good Faith Deposits of all potential qualified bidders that are determined not to be

Qualified Bidders shall be promptly returned within two (2) business days of the Bid Deadline. The Good Faith Deposits of all Qualified Bidders, other than the Successful Bidder and the Next Best Bidder, shall be returned within two (2) business days after the conclusion of the Sale Hearing (defined below). The Good Faith Deposit of the Next Best Bidder shall be returned within the earlier of (i) two (2) business days after the consummation of the Transaction with the Successful Bidder, and (ii) sixty-two (62) days after the Sale Hearing. If a Successful Bidder (including a Next Best Bidder if such bidder becomes the Successful Bidder) fails to consummate an approved Transaction because of a breach or failure to perform on the part of such Successful Bidder under the terms of the Purchase Agreement, such Successful Bidder's Good Faith Deposit shall be forfeited to the Debtors' estates, without prejudice to any other rights the Debtors may have. Any disputes with respect to Good Faith Deposits shall be resolved by the Court.

VIII. MODIFICATION/RESERVATION OF RIGHTS

The Debtors may determine in their reasonable discretion, in consultation with the Consultation Parties, which Qualified Bid(s) if any to present to the Court as the highest or best offer for the Acquired Assets. The Debtors, in consultation with the Consultation Parties, may (i) reject at any time before entry of an order of the Court approving any Qualified Bid as the Successful Bid, any bid other than the Stalking Horse Bid that in the Debtors' reasonable discretion, in consultation with the Consultation Parties, is (a) inadequate or insufficient, (b) not in conformity with the requirements of the Bankruptcy Code or these Bidding Procedures or (c) contrary to the best interests of the Debtors and their bankruptcy estates and creditors, (ii) withdraw, in their business judgment and in consultation with the Consultation Parties, any motion for approval of the sale of the Acquired Assets to the Successful Bidder, and (iii) cancel,

in their business judgment and in consultation with the Consultation Parties, the Auction and pursue an alternative transaction if such alternative transaction is determined to be in the best interests of the Debtors, their bankruptcy estates and creditors.

Nothing in these Bidding Procedures shall require the Debtors' board of managers or directors (the "Board") to take any action, or to refrain from taking any action, with respect to these Bidding Procedures, if the Board determines, based on the advice of counsel, that refraining from taking such action or taking such action, as the case may be, is required to comply with applicable law or the Board's fiduciary obligations thereunder.

The Debtors, in consultation with the Consultation Parties, may extend or alter any deadline contained in these Bidding Procedures that will better promote their receipt of higher and otherwise better offers for the Acquired Assets and Designated Contracts. These Bidding Procedures are solely for the benefit of the Debtors, their bankruptcy estates and their creditors. The Debtors may waive or modify the provisions in these Bidding Procedures or adopt additional procedures as they see fit in their business judgment, in consultation with the Consultation Parties, subject to the terms of the Bidding Procedures Order.

IX. AUCTION

If the Debtors receive only one Qualified Bid by the Bid Deadline with respect to the Acquired Assets (including the Stalking Horse Bid), the Debtors shall not be required to hold an Auction for the Acquired Assets and the Debtors shall determine, in their business judgment, in consultation with the Consultation Parties, whether to seek this Court's approval of the sale of the Acquired Assets to such Qualified Bidder on the terms set forth in the Bidding Procedures Order.

If the Debtors timely receive two or more Qualified Bids (including the Stalking Horse Bid) for the Acquired Assets, the Debtors shall conduct the Auction on **October 5, 2020 at 10:00 a.m. (prevailing Eastern Time)** at the offices of Nelson Mullins Riley & Scarborough, LLP, GlenLake One, 4140 Parklake Avenue, Suite 200, Raleigh, NC 27612 or such later time, format or such other place as the Debtors, in consultation with the Consultation Parties, shall designate in a subsequent notice to all Qualified Bidders. The Debtors reserve the right to cancel the Auction in their business judgment and in consultation with the Consultation Parties.

Only Qualified Bidders (including the Stalking Horse Purchaser) will be eligible to participate in the Auction. Representatives of the following parties-in-interest and their professionals shall be entitled to attend and observe the Auction: the Debtors, Qualified Bidders, the Committee, Bank of America, the Bankruptcy Administrator for the Middle District of North Carolina, and federal and local regulators. The Debtors, in their discretion may deny access to the Auction to any other person, including the media.

Each Qualified Bidder may be required to confirm at the commencement of, and from time to time during the Auction, that it has not engaged in any collusive behavior with respect to the sale of the Acquired Assets, the bidding or the Auction. Bidding at the Auction may be videotaped and/or transcribed.

The Acquired Assets may be sold collectively or each Acquired Asset may be offered individually or in groupings at the Auction as determined by the Debtors, in consultation with the Consultation Parties, to generate the highest or otherwise best offer(s).

The bidding shall start at the amount offered in the highest or best Qualified Bid (the "Baseline Bid"), as determined and announced by the Debtors, in consultation with their advisors and the Consultation Parties. The bidding will continue thereafter in increments of at least

\$100,000 ("Overbid Increments") until the bidding ceases; *provided, however* that (i) each successive bid must be a Qualifying Bid, and (ii) any bid made by the Stalking Horse Purchaser, including in each and every round of bidding, shall be deemed to include the Bid Protections in addition to the cash and other consideration provided for in its bid.

The Debtors, in consultation with the Consultation Parties, may employ and announce at the Auction additional procedural rules that are reasonable under the circumstances for conducting the Auction, provided that such rules are (i) not inconsistent with the Bankruptcy Code, or any other order of the Court and (ii) disclosed to each Qualified Bidder at the Auction.

Upon the conclusion of the Auction, the Debtors, in consultation with their advisors and the Consultation Parties will (a) review the last bid each of the Qualified Bidders made at the Auction on the basis of financial and contractual terms and other factors relevant to the sale process, including the ability of the Qualified Bidder to obtain necessary regulatory approvals and the other factors identified above, (b) determine the highest or otherwise best bid for the Acquired Assets and Designated Contacts at the Auction (the "Successful Bid") and (c) notify all Qualified Bidders at the Auction of the name of the person that submitted the Successful Bid (the "Successful Bidder").³ The Debtors will present the Successful Bid to the Court for approval at the Sale Hearing.

After determining the Successful Bid, the Debtors may, in consultation with the Consultation Parties, determine which Qualified Bid is the next best bid ("Next Best Bid"). The Debtors will present the Next Best Bid to the Court for approval at the Sale Hearing. If the Court

³ In the event that a combination of bids for the Acquired Assets and Designated Contracts is determined by the Debtors, in consultation with the Consultation Parties, to be the highest or otherwise best bids on an aggregate basis, then each such bid shall be a "Successful Bid" and each such bidder shall be a "Successful Bidder," and collectively such bids shall be the "Successful Bids" and such bidders shall be the "Successful Bidders."

approves the Next Best Bid at the Sale Hearing, and if the Successful Bidder does not close the Transaction, including failing to close by the date set forth in the Successful Bid, then the Debtors shall be authorized to close with the party that submitted the Next Best Bid ("Next Best Bidder"), without further court order, after consultation with the Consultation Parties. The Next Best Bidder shall be required to close the Transaction by the date set forth in the Next Best Bid.

All bidders at the Auction shall be deemed to have consented to these Bidding Procedures and to the core jurisdiction of the Court and waived any right to a jury trial in connection with any disputes relating to the Auction, the sale and the construction and enforcement of the applicable Successful Bid.

On or before **October 7, 2020**, the Debtors shall file a notice with the Court identifying the Successful Bidder and serve such notice by telecopy, electronic mail transmission, or overnight delivery upon the following entities: (a) the Office of the Bankruptcy Administrator for the Middle District of North Carolina; (b) counsel to the Committee and Bank of America; (c) counsel to the Stalking Horse Purchaser; (d) all applicable health regulatory agencies and taxing authorities; (e) the United States Attorney's Office for the Middle District of North Carolina; (f) all known parties that may be asserting a lien against the Acquired Assets; (g) all Qualified Bidders that have submitted a Qualified Bid; (h) all non-debtor counterparties to the Designated Contracts proposed to be assumed and assigned under the Successful Bid; and (i) all parties that have requested notice pursuant to Bankruptcy Rule 2002.

X. NO ENTITLEMENT TO FEES FOR POTENTIAL BIDDERS OR QUALIFIED BIDDERS

The performance of due diligence, the tendering of a bid, the determination that a bid is a Qualified Bid or the participation of a Qualified Bidder at the Auction shall not entitle a potential qualified bidder or Qualified Bidder to any breakup, termination or similar fee or reimbursement

of expenses and all potential qualified bidders and Qualified Bidders waive any right to seek payment of such sums, including any claim for substantial contribution. Notwithstanding the foregoing, to the extent the Bid Protections are triggered under the terms of the Stalking Horse Agreement, the Stalking Horse Purchaser shall be entitled to payment of such Bid Protections as provided in the Stalking Horse Agreement and the Bidding Procedures Order.

XI. AS IS, WHERE IS

All Transactions shall be on an “as is, where is” basis and without representations or warranties of any kind, nature, or description by the Debtors, their estates, or their agents or representatives. Except as otherwise expressly provided in these Bidding Procedures, the Stalking Horse Agreement or any Purchase Agreement, each Qualified Bidder shall be deemed to acknowledge and represent that it (i) has had an opportunity to conduct any and all reasonable due diligence regarding the Acquired Assets and Designated Contracts prior to making its bid, (ii) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Acquired Assets and Designated Contracts in making its bid, and (iii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express, implied, by operation of law or otherwise, regarding the Acquired Assets and Designated Contracts, or the completeness of any information provided in connection therewith.

XII. SALE HEARING

The Debtors will seek entry of an order from the Court at a hearing (the "Sale Hearing") to begin on **October 22, 2020 at 9:30 a.m. (prevailing Eastern Time)** to approve and authorize the Transaction(s) with the Successful Bidder(s) and, if applicable, conditionally approve the Transaction with the Next Best Bidder. The Sale Hearing may be adjourned or rescheduled by

the Debtors, in consultations with the Consultation Parties, without further notice by an announcement of the adjourned date at the Sale Hearing.

EXHIBIT 2
(Sale Notice)

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF NORTH CAROLINA
GREENSBORO DIVISION

In Re:)
) CASE NO. 20-10247
Randolph Hospital, Inc. d/b/a Randolph)
Health,) CHAPTER 11
)
Debtors.¹)
_____)

**NOTICE OF BID DEADLINE, AUCTION
AND SALE HEARING IN CONNECTION WITH THE
SALE OF SUBSTANTIALLY ALL OF THE DEBTORS' ASSETS
FREE AND CLEAR OF CERTAIN LIENS, CLAIMS, AND ENCUMBRANCES**

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. The above-captioned debtors and debtors-in-possession (collectively, the "Debtors"), seek to sell substantially all of their assets (collectively, the "Acquired Assets" and each asset individually, an "Acquired Asset")² free and clear of certain liens, claims, and encumbrances.

2. On [_____], the United States Bankruptcy Court for the Middle District of North Carolina (the "Court") entered an order [Docket No.] (the "Bidding Procedures Order"), which among other things, authorized the Debtors to solicit bids and approved the procedures (the "Bidding Procedures")³ set forth therein to be employed with respect to one or more proposed sales (each a "Transaction") of substantially all of the assets of the Debtors.

¹ The Debtors are Randolph Hospital, Inc. d/b/a Randolph Health, Case No. 20-10247; Randolph Specialty Group Practice, Case No. 20-10248' and MRI of Asheboro, LLC d/b/a Randolph MRI Center, Case No. 20-10249.

² The Acquired Asset(s) shall not include (i) any cash, cash equivalents and investment property of the Debtors, including, but not limited to, any funds in any of the Debtors' investment or other accounts; *provided, however*, that any interest of the Debtors in StayWell Senior Care, Inc. and/or Randolph Cancer Center, LLC are included in the definition of Acquired Assets that may be sold pursuant to the terms of this Order and the Bidding Procedures attached hereto, (ii) any cause of action or proceeds of such cause of action arising under chapter 5 of the Bankruptcy Code or applicable state law equivalents, and (iii) any commercial or other tort claims (as such term is defined in the Uniform Commercial Code as in effect in the State of New York) arising on or before the closing date of any Transaction, or any proceeds thereof, including, but not limited to, any and all causes of action against present or former directors and officers of the Debtors and/or any of their affiliates.

³ Except as defined herein, all capitalized terms shall have the meanings assigned to them in the Bidding Procedures Order.

3. On August 28, 2020 the Debtors filed a motion (the "Sale Motion") seeking entry of an order (i) approving the sale of substantially all of the Debtors' assets free and clear of liens, claims, encumbrances, and other interests, and (ii) authorizing the assumption and assignment of certain executor contracts and unexpired leases. Through the Sale Motion, the Debtors seek to sell substantially all of their assets in accordance with the Bidding Procedures.

4. All interested parties are invited to make offers to purchase the Acquired Assets in accordance with the Bidding Procedures and the Bidding Procedures Order. Copies of the Bidding Procedures and Bidding Procedures Order may be obtained by: (a) written request to the Debtors' counsel, Nelson Mullins Riley & Scarborough, LLP, 1320 Main Street, 17th Floor, Post Office Box 11070 (29211), Columbia, South Carolina 29201, Attn: Jody A. Bedenbaugh (jody.bedenbaugh@nelsonmullins.com), and Rebecca Finch Redwine (redwine@hendrenmalone.com), Hendren, Redwine & Malone, PLLC, 4600 Marriott Drive, Suite 150, Raleigh, NC 27612; (b) accessing the Court's website at <http://www.ncmb.uscourts.gov> (please note that a PACER password is needed to access documents on the Court's website); (c) accessing the website of the Debtors' claims and noticing agent at <https://dm.epiq11.com/case/randolphhospital/info> or (d) viewing the docket of these cases at the office of the Clerk of the Court, United States Bankruptcy Court for the Middle District of North Carolina, Greensboro Division, 101 South Edgeworth Street, Greensboro, NC 27401. **All interested parties should carefully read the Bidding Procedures and the Bidding Procedures Order.**

5. The deadline to submit offers to purchase the Acquired Assets is **October 1, 2020 at 5:00 p.m. (prevailing Eastern Time)** (the "Bid Deadline"). The Debtors reserve the right, in consultation with the Consultation Parties, to extend the Bid Deadline if, in their business judgment, such extension would promote competitive bidding among potentially qualified bidders. Pursuant to the Bidding Procedures and Bidding Procedures Order, if the Debtors timely receive two or more Qualified Bids (including the Stalking Horse Bid) for the Acquired Assets, the Debtors shall conduct the Auction commencing on **October 5, 2020, at 10:00 a.m. (prevailing Eastern Time)**, at the offices of Nelson Mullins Riley & Scarborough, LLP, GlenLake One, 4140 Parklake Avenue, Suite 200, Raleigh, NC 27612, or such later time, format or such other place as the Debtors, in consultations with the Consultation Parties, shall designate in a subsequent notice to all Qualified Bidders and Notice Parties (as defined in the Motion), to determine the highest or otherwise best bid for the Acquired Assets (the "Successful Bid").

6. Only an entity that has submitted a Qualified Bid (a "Qualified Bidder") to the following in accordance with the Bidding Procedures by the Bid Deadline is eligible to participate in the auction: (i) counsel for the Debtors, Nelson Mullins Riley & Scarborough, LLP, 1320 Main Street, 17th Floor, Post Office Box 11070 (29211), Columbia, South Carolina 29201, Attn: Jody A. Bedenbaugh (jody.bedenbaugh@nelsonmullins.com), and Rebecca Finch Redwine (redwine@hendrenmalone.com), Hendren, Redwine & Malone, PLLC, 4600 Marriott Drive, Suite 150, Raleigh, NC 27612 and (ii) investment bankers to the Debtors, Houlihan Lokey Capital, Inc., 111 S. Wacker Drive, 37th Floor, Chicago, Illinois 60606, Attn. Andrew Turnbull (ATurnbull@HL.com) and Ben Ilhardt (BIlhardt@HL.com) so as to be actually received on or before Bid Deadline.

7. The sale of the Acquired Assets to the Qualified Bidder(s) who submits the highest and otherwise best bid for the Acquired Assets ("Successful Bidder(s)") shall be presented for authorization and approval by the Court at the Sale Hearing, which is currently scheduled to be held on **October 22, 2020 at 9:30 a.m. (prevailing Eastern Time)** at the United States Bankruptcy Court for the Middle District of North Carolina, Greensboro Division, 601 W. 4th St., Winston-Salem, NC 27101. The Sale Hearing may be adjourned or rescheduled by the Debtors, in consultation with the Consultation Parties, without further notice by announcing the adjourned date at the Sale Hearing.

8. Any objections to the Sale or the relief requested in connection with the Sale (a "Sale Objection"), other than a Cure Objection, which shall be governed as set forth in the Bidding Procedures Order, must (a) be in writing, (b) comply with the Bankruptcy Rules and any applicable Local Rules, (c) set forth the name of the objector, (d) state with particularity the legal and factual bases for such objection, and (e) be filed with the Clerk of the Court, United States Bankruptcy Court for the Middle District of North Carolina, Greensboro Division, 101 South Edgeworth Street, Greensboro, NC 27401, together with proof of service thereof, and served on the following parties **so as to be actually received no later than **October 16, 2020**** (the "Sale Objection Deadline"): (i) counsel to the Debtors, Nelson Mullins Riley & Scarborough, LLP, 1320 Main Street, 17th Floor, Columbia, South Carolina 29201, Attn: Jody A. Bedenbaugh and Rebecca Finch Redwine, Hendren, Redwine & Malone, PLLC, 4600 Marriott Drive, Suite 150, Raleigh, NC 27612; (ii) counsel to the Stalking Horse Purchaser; (iii) counsel to the Committee, (iv) counsel to Bank of America; (v) counsel to the Successful Bidder, (vi) counsel to the Next Best Bidder, if any, and (vii) the Bankruptcy Administrator for the Middle District of North Carolina.

9. Failure of any entity to file a Sale Objection on or before the Sale Objection Deadline shall be deemed to constitute consent to the sale of the Acquired Assets to the Successful Bidder and other relief requested in the Sale Motion, and be a bar to the assertion, at the Sale Hearing or thereafter, of any objection to the Sale Motion, the Auction, the Sale of the Acquired Assets, or the Debtors' consummation and performance of the terms of the asset purchase agreement entered into with the Successful Bidder, if authorized by the Court.

10. After determining the Successful Bid upon the conclusion of the Auction (in consultation with the Consultation Parties), the Debtors, in consultation with the Consultation Parties, may determine which Qualified Bid is the next best bid (the "Next Best Bid"). The Debtors will present the Successful Bid and Next Best Bid, if any, to the Court for approval at the Sale Hearing. If the Court approves the Next Best Bid at the Sale Hearing, and if the Successful Bidder does not close the Transaction, including failing to close by the date set forth in the Successful Bid, then the Debtors shall be authorized to close with the party that submitted the Next Best Bid ("Next Best Bidder"), without further court order, after consultation with the Consultation Parties. The Next Best Bidder shall be required to close the sale with the Debtors in the event that the Successful Bidder fails to close.

11. No bids shall be permitted after the close of the Auction, subject to the terms of the Bidding Procedures Order and Bidding Procedures.

12. This notice is subject to the full terms and conditions of the Bidding Procedures and the Bidding Procedures Order, and the Debtors encourage any interested parties to review such documents in their entirety. To the extent that this notice is inconsistent with the Bidding Procedures Order (including the Bidding Procedures attached thereto), the terms of the Bidding Procedures Order shall govern.

Dated: _____, 2020

EXHIBIT 3
(Cure Notice)

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF NORTH CAROLINA
GREENSBORO DIVISION

In Re:)
)
) CASE NO. 20-10247
)
Randolph Hospital, Inc. d/b/a Randolph)
Health,)
) CHAPTER 11
)
)
Debtors.¹)
)
)

**NOTICE OF POTENTIAL ASSUMPTION AND ASSIGNMENT OF CERTAIN
EXECUTORY CONTRACTS AND UNEXPIRED LEASES IN CONNECTION
WITH THE SALE OF SUBSTANTIALLY ALL OF THE DEBTORS' ASSETS**

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

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. On [_____], 2020, the United States Bankruptcy Court for the Middle District of North Carolina (the "Court") entered an order (the "Bidding Procedures Order") in the chapter 11 cases (the "Cases") of the above-captioned debtors and debtors-in-possession (the "Debtors") approving, among other things, certain procedures related to the assumption and assignment of executory contracts and unexpired leases (the "Designated Contracts") listed on Exhibit 1 attached to this Notice (the "Assignment Schedule") in connection with the sale of substantially all of the Debtors' assets (collectively, the "Acquired Assets" and each asset individually, an "Acquired Asset"). The Debtors may, but are not obligated to, assume and assign the Designated Contracts to the successful bidder(s) for the Acquired Assets (the "Successful Bidder") under the bidding procedures (the "Bidding Procedures") approved by the Bankruptcy Court in connection with the Bidding Procedures Order.

2. The Debtors believe that any and all defaults (other than the filing of these Cases) and actual pecuniary losses under the Designated Contracts can be cured by the payment of the cure amounts (the "Cure Amount") listed on the Assignment Schedule. The Debtors reserve the right to delete items from, supplement, and modify the Assignment Schedule at any

¹ The Debtors are Randolph Hospital, Inc. d/b/a Randolph Health, Case No. 20-10247; Randolph Specialty Group Practice, Case No. 20-10248' and MRI of Asheboro, LLC d/b/a Randolph MRI Center, Case No. 20-10249.

time prior to entry of an order on the assumption or assignment of the applicable Designated Contracts, provided that to the extent that the Debtors add or delete a Designated Contract to the Assignment Schedule or add or delete or modify the Cure Amount, the affected party shall receive separate notice (a "Supplemental Cure Notice") and an opportunity to object to such Supplemental Cure Notice as set forth below and in the Bidding Procedures Order.

3. Any objection to the Cure Amount set forth on the Assignment Schedule or Supplemental Cure Notice (a "Cure Objection") must (a) be in writing, (b) set forth the basis for the objection as well as any cure amount that the objector asserts to be due (in all cases with appropriate documentation in support thereof), and (c) be filed with the Clerk of the Court, United States Bankruptcy Court for the Middle District of North Carolina, Greensboro Division, 101 South Edgeworth Street, Greensboro, NC 27401, and served on the following: (i) counsel to the Debtors, Nelson Mullins Riley & Scarborough, LLP, 1320 Main Street, 17th Floor, Columbia, South Carolina 29201, Attn: Jody A. Bedenbaugh and Rebecca Finch Redwine, Hendren, Redwine & Malone, PLLC, 4600 Marriott Drive, Suite 150, Raleigh, NC 27612; (ii) counsel to the Committee; (iii) counsel to any proposed Stalking Horse Purchaser; and (iv) the Office of the Bankruptcy Administrator for the Middle District of North Carolina (the "Contract Notice Parties"), **so as to be actually received by the later of (a) October 12, 2020 or (b) ten (10) days after service of a Supplemental Cure Notice (the "Cure Objection Deadline").**

4. Any other objection to the assumption and assignment of any Designated Contract identified on the Assignment Schedule (aside from an objection to the Cure Amount), including with respect to an objection on the basis of adequate assurance of future performance by a Successful Bidder shall be filed and served on the Contract Notice Parties, as well as counsel for the Successful Bidder, **so as to be actually received on or before the later of (a) October 16, 2020 or (b) ten (10) days after service of a Supplemental Cure Notice**

5. To the extent that any entity does not timely object as set forth above, such entity shall be: (i) forever barred from objecting to the assumption and assignment of its respective Designated Contracts identified on the Assignment Schedule, including, without limitation, asserting any additional cure payments or requesting additional adequate assurance of future performance; (ii) deemed to have consented to and be bound by the applicable Cure Amount, if any, and to the assumption and assignment of the applicable Designated Contract; (iii) deemed to have agreed that the Successful Bidder has provided adequate assurance of future performance within the meaning of section 365(b)(1)(C) of the Bankruptcy Code; (iv) deemed to have agreed that all defaults under the applicable Designated Contract arising prior to the effective date of the assignment have been cured in conjunction with the assignment, such that neither the Successful Bidder nor the Debtors shall have any liability or obligation with respect to any default occurring prior to the assignment, and from and after the date of the assignment the applicable Designated Contract shall remain in full force and effect in accordance with its terms for the benefit of the Successful Bidder; (v) deemed to have waived any right to terminate the applicable Designated Contract or designate an early termination date under the applicable Designated Contract as a result of any default that occurred prior to the assignment date; (vi) deemed to have agreed that the Debtors are not obligated under the Designated Contracts following the effective date of the assumption and assignment; and (vii) deemed to have agreed that the terms of any Sale Order shall apply to the assumption and assignment of the applicable Designated Contract.

6. If an objection is timely received and such objection cannot otherwise be resolved by the parties, the Court may hear such objection at the Sale Hearing or at a later date set by the Court. If a timely objection is filed with respect only to the Cure Amount, the dispute with respect to the Cure Amount will be resolved consensually, if possible, or, if the parties are unable to resolve their dispute, before the Court, and, subject to the entry of the Sale Order, the Debtors may consummate the sale of the Acquired Assets and assumption and assignment of the Designated Contracts subject to the Successful Bidder's reservation of an amount sufficient to pay the Cure Amount asserted in the Cure Objection or, at the Successful Bidder's option, the Successful Bidder may remove such Designated Contract as one that is to be assumed and assigned at no cost or liability to the Successful Bidder. For the avoidance of doubt, the pendency of a dispute relating to the Cure Amount will not prevent or delay the sale of the Acquired Assets to the Successful Bidder. The Debtors, in consultation with the Successful Bidder and the Consultation Parties, reserve the right to withdraw at any time prior to the closing of the sale of the Acquired Assets the request to assume any Designated Contract for any reason, including if a nondebtor party contests the Cure Amount or the Cure Amount, as established by the Bankruptcy Court, is unsatisfactory to the Debtors and the Successful Bidder.

7. The Debtors' decision to assume and assign to the Successful Bidder a Designated Contract is subject to Court approval and the sale closing. Accordingly, absent such approval and closing, any of the Designated Contracts shall not be deemed to be assumed and assigned, and shall in all respects be subject to further administration under the Bankruptcy Code. The inclusion of any document on the Assignment Schedule shall not constitute or be deemed a determination or admission by the Debtors, the Successful Bidder or any party in interest that the document is, in fact, an executory contract or unexpired lease within the meaning of the Bankruptcy Code (all rights with respect thereto being expressly reserved).

8. Notwithstanding anything herein, the mere listing of a Designated Contract on the Potential Assumption and Assignment Schedule does not require or guarantee that such Designated Contract will be assumed by the Debtors at any time or assumed and assigned, and all rights of the Debtors, the Committee, and the Successful Bidder with respect to such executory Contracts and/or unexpired leases are reserved. Moreover, the Debtors explicitly reserve their rights, in their reasonable discretion, to seek to reject or assume each Designated Contract pursuant to section 365(a) of the Bankruptcy Code and in accordance with the procedures allowing the Debtors and/or the Successful Bidder, as applicable, to designate any Designated Contract as either rejected or assumed on a post-closing basis in consultation with the Consultation Parties.

9. Copies of the Bidding Procedures Order and other relevant documents may be obtained by: (a) written request to the Debtors' counsel, Nelson Mullins Riley & Scarborough, LLP, 1320 Main Street, 17th Floor, Post Office Box 11070 (29211), Columbia, South Carolina 29201, Attn: Jody A. Bedenbaugh, and Rebecca Finch Redwine, Hendren, Redwine & Malone, PLLC, 4600 Marriott Drive, Suite 150, Raleigh, NC 27612; (b) accessing the Court's website at <http://www.ncmb.uscourts.gov> (please note that a PACER password is needed to access documents on the Court's website); or (c) accessing the website of the Debtors' claims and noticing agent at <https://dm.epiq11.com/case/randolphhospital/info> , or (d) viewing the docket of

these cases at the office of the Clerk of the Court, United States Bankruptcy Court for the Middle District of North Carolina, Greensboro Division, 101 South Edgeworth Street, Greensboro, NC 27401.

Dated: [_____], 2020

EXHIBIT 4
(Defined Terms)

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF NORTH CAROLINA
GREENSBORO DIVISION

In Re:)
) CASE NO. 20-10247
Randolph Hospital, Inc. d/b/a Randolph)
Health,) CHAPTER 11
)
Debtors.¹)
)
_____)

**APPENDIX TO BIDDING PROCEDURES ORDER:
DEFINED TERMS²**

1. **Acquired Assets:** substantially all of the Debtors’ assets on a collective basis, and each asset of the Debtors on an individual basis, an “**Acquired Asset.**” The Acquired Asset(s) shall not include (i) any cash, cash equivalents and investment property of the Debtors, including, but not limited to, any funds in any of the Debtors’ investment or other accounts; *provided, however,* that any interest of the Debtors in StayWell Senior Care, Inc. and/or Randolph Cancer Center, LLC are included in the definition of Acquired Assets that may be sold pursuant to the terms of this Order and the Bidding Procedures attached hereto, (ii) any cause of action or proceeds of such cause of action arising under chapter 5 of the Bankruptcy Code or applicable state law equivalents, and (iii) any commercial or other tort claims (as such term is defined in the Uniform Commercial Code as in effect in the State of New York) arising on or before the closing date of any Transaction, or any proceeds thereof, including, but not limited to,

¹ The Debtors are Randolph Hospital, Inc. d/b/a Randolph Health, Case No. 20-10247; Randolph Specialty Group Practice, Case No. 20-10248’ and MRI of Asheboro, LLC d/b/a Randolph MRI Center, Case No. 20-10249.

² To the extent of any inconsistencies between the definitions contained in this appendix and the definitions contained in the body of the Bidding Procedures Order (including the Bidding Procedures attached thereto), the definitions in the body of the Bidding Procedures Order shall govern.

any and all causes of action against present or former directors and officers of the Debtors and/or any of their affiliates.

2. **Assignment and Assumption Procedures:** procedures for the assumption and assignment of the Designated Contracts in connection with the sale of the Acquired Assets and resolution of any objections thereto.

3. **Assignment Schedule:** Exhibit 1 to the Notice of Potential Assumption and Assignment of Certain Executory Contracts and Unexpired Leases/the Cure Notice.

4. **Auction:** an auction for the Acquired Assets, in the event that the Debtors receive a Qualified Bid for the Acquired Assets other than that of the Stalking Horse Purchaser, to be held **October 5, 2020 at 10:00 a.m. (prevailing Eastern Time)** at the offices of Nelson Mullins Riley & Scarborough, LLP, GlenLake One, 4140 Parklake Avenue, Suite 200, Raleigh, NC 27612 or such later time, format or such other place as the Debtors, in consultation with the Consultation Parties, shall designate in a subsequent notice to all Qualified Bidders.

5. **Bankruptcy Administrator:** Bankruptcy Administrator for the Middle District of North Carolina.

6. **Bankruptcy Code:** 11 U.S.C. § 101 *et seq.*

7. **Baseline Bid:** amount offered in the highest or best Qualified Bid, as determined and announced by the Debtors, in consultation with their advisors and the Consultation Parties.

8. **Bid Deadline:** The deadline for submitting a Qualified Bid in accordance with the Bidding Procedures, **October 1, 2020 at 5:00 p.m. (prevailing Eastern Time)**, which may be extended by the Debtors in consultation with the Consultation Parties.

9. **Bidder Designated Contracts:** The Designated Contracts the bidder elects to have assumed and assigned to it, and which the bidder reserves the right to add to, delete from,

amend, and/or supplement.

10. **Bidding Procedures**: certain auction and bidding procedures in connection with the sale of the Acquired Assets, substantially in the form annexed to the Bidding Procedures Order as Exhibit 1.

11. **Bid Protections**: a breakup fee of \$120,000 and expense reimbursement not to exceed \$80,000 as negotiated by the Debtors and the Stalking Horse Purchaser pursuant to the terms of the Stalking Horse Agreement.

12. **Bidding Procedures Motion or “Motion”**: *Motion of Debtors for Entry of an Order (A) Approving Auction and Bidding Procedures, (B) Permitting the Debtors to Designate a Stalking Horse Purchaser and Grant Bid Protections, (C) Approving Procedures Related to the Assumption and Assignment of Executory Contracts and Unexpired Leases, (D) Scheduling Auction and Sale Hearing; and (E) Approving the Form and Manner of the Sale Notice* [D.I. No. 380).

13. **Bidding Procedures Order**: order which among other things, authorizes the Debtors to solicit bids and approves the procedures to be employed with respect to one or more proposed sales of the Acquired Assets.

14. **Board**: Debtors’ board of managers or directors.

15. **Cases**: these chapter 11 cases.

16. **Cigna Contracts**: Cigna Provider Agreements and Dental Policy, as those terms are defined in the *Objection of Cigna to Motion of Debtors for Entry of Order (A) Approving Auction and Bidding Procedures, (B) Permitting Debtors to Designate Stalking Horse Purchaser and Grant Bid Protections, (C) Approving Procedures Related to the Assumption and Assignment of Executory Contracts and Unexpired Leases, (D) Scheduling Auction and Sale*

Hearing, and (E) Approving the Form and Manner of Sale Notice [D.I. 407].

17. **Cigna Objection:** *Objection of Cigna to Motion of Debtors for Entry of Order (A) Approving Auction and Bidding Procedures, (B) Permitting Debtors to Designate Stalking Horse Purchaser and Grant Bid Protections, (C) Approving Procedures Related to the Assumption and Assignment of Executory Contracts and Unexpired Leases, (D) Scheduling Auction and Sale Hearing, and (E) Approving the Form and Manner of Sale Notice [D.I. 407]*

18. **Committee:** Official Committee of Unsecured Creditors.

19. **Consultation Parties:** Official Committee of Unsecured Creditors and Bank of America, N.A.

20. **Contract Notice Parties:** counsel to (i) Debtors, (ii) the Committee, (iii) the Stalking Horse Purchaser, and (iv) the Office of the Bankruptcy Administrator for the Middle District of North Carolina.

21. **Court:** United States Bankruptcy Court for the Middle District of North Carolina.

22. **Cure Amount:** the amount necessary under section 365 of the Bankruptcy Code to cure any and all defaults (other than the filing of these cases) and actual pecuniary losses under each Designated Contract as listed on the Assignment Schedule.

23. **Cure Notice:** Exhibit 3 to the Bidding Procedures Order.

24. **Cure Objection:** Any objection to the Cure Amount set forth on the Cure Notice or Supplemental Cure Notice.

25. **Cure Objection Deadline:** later of (a) October 12, 2020 or (b) ten (10) days after service of a Supplemental Cure Notice.

26. **Dava:** Dava Foundation Inc.

27. **Debtors:** Randolph Hospital, Inc. d/b/a Randolph Health, Randolph Specialty

Group Practice, and MRI of Asheboro, LLC.

28. **Designated Contracts:** the executory contracts and unexpired leases designated for assumption and assignment under sections 363 and 365 of the Bankruptcy Code in connection with a Transaction. For the avoidance of doubt, the inclusion of a contract, lease or other agreement on a Cure Notice or Supplemental Cure Notice shall not (a) constitute or be deemed a determination or admission by the Debtors, their estates, or any other party in interest that such contract, lease or other agreement is, in fact, an executory contract or unexpired lease within the meaning of the Bankruptcy Code, and any and all rights with respect thereto shall be reserved or (b) obligate the Debtors to assume and assign such contract, lease or other agreement to the Successful Bidder.

29. **Escrow Agent:** an escrow agent to be specified by the Debtors.

30. **Good Faith Deposit:** good faith deposit in the form of a wire transfer, certified check or such other form acceptable to the Debtors, payable to the order of the Escrow Agent in an amount equal to at least ten percent (10%) of the cash component of the proposed purchase price.

31. **Hearing:** hearing held to consider the relief requested in the Bidding Procedures Motion on September 3, 2020.

32. **Initial Bid Amount:** the sum of (i) the purchase price in the Stalking Horse Bid, (ii) the Bid Protections, (iii) and \$100,000.

33. **Initial Deadline:** 3 business days after entry of the Bidding Procedures Order.

34. **Next Best Bid:** after determining the Successful Bid, the Debtors may, in consultation with the Consultation Parties, determine which Qualified Bid is the next best bid.

35. **Next Best Bidder:** the bidder that submits the Next Best Bid.

36. **Notice of Proposed Assumption and Assignment:** the Cure Notice.
37. **Notice of Proposed Stalking Horse Purchaser:** Docket number 414.
38. **Overbid Increment:** at least \$100,000.00.
39. **Qualified Bid:** a bid that satisfies all of the requirements in Section V of the Bidding Procedures as determined in accordance with the terms of the Bidding Procedures.
40. **Qualified Bidder:** a bidder who submits a Qualified Bid.
41. **Purchase Agreement:** an executed original of an asset purchase agreement submitted with a bid.
42. **Sale:** sale(s) of the Acquired Assets.
43. **Sale Hearing:** hearing on October 22, 2020 at 9:30 a.m. (prevailing Eastern Time) to approve and authorize the Transaction(s) with the Successful Bidder(s) and, if applicable, conditionally approve the Transaction with the Next Best Bidder. The Sale Hearing may be adjourned or rescheduled by the Debtors, in consultations with the Consultation Parties, without further notice by an announcement of the adjourned date at the Sale Hearing.
44. **Sale Motion:** motion filed by the Debtors seeking entry of an order (i) approving the sale of substantially all of the Debtors' assets free and clear of liens, claims, encumbrances, and other interests, and (ii) authorizing the assumption and assignment of certain executory contracts and unexpired leases. Through the Sale Motion, the Debtors seek to sell the Acquired Assets in accordance with the Bidding Procedures.
45. **Sale Notice:** Exhibit 2 to the Bidding Procedures Order.
46. **Sale Objection:** any objections to the Sale or the relief requested in connection with the Sale.
47. **Sale Objection Deadline:** October 16, 2020.

48. **Sale Order:** the terms of any sale order for the Acquired Assets.
49. **Stalking Horse Bid:** the bid submitted by the Stalking Horse Purchaser.
50. **Stalking Horse Agreement:** Stalking Horse Purchaser's asset purchase agreement.
51. **Stalking Horse Purchaser:** Dava Foundation Inc.
52. **Successful Bid:** highest or otherwise best bid or combination of bids for the Acquired Assets and Designated Contacts at the Auction.
53. **Successful Bidder:** Qualified Bidder(s) that submits the Successful Bid.
54. **Successful Bidder Notice:** the notice filed by the Debtor with the Court, no later than October 7, 2020, identifying the Successful Bidder(s), as determined by the Debtors in consultation with the Consultation Parties, and identifying the Next Best Bidder, if the Debtors, in consultation with the Consultation Parties, deem there to be one.
55. **Supplemental Cure Notice:** notice sent by the Debtors in the event the Debtors supplement the Cure Notice, including by adding or deleting contracts to be assumed and assigned, or changing the cure amounts and/or adequate assurances of future performance.
56. **Transaction:** one or more proposed sales of substantially all of the assets of Debtors.

END OF DOCUMENT