

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

Baxano Surgical, Inc.,¹

Debtor.

Chapter 11

Case No. 14-12545 (CSS)

Related to D.I. Nos. 43 and 147

**NOTICE OF DESIGNATION OF STALKING HORSE AND FILING OF
STALKING HORSE AGREEMENT AND STALKING HORSE BLACKLINE**

PLEASE TAKE NOTICE that, pursuant to paragraph 12 of the *Order (A) Approving Bidding Procedures; (B) Approving Form of Sale Notice and Assumption/Cure Notice, (C) Approving Procedures for the Assumption and Assignment of Contracts and Leases; (D) Authorizing the Debtor to Designate a Stalking Horse and Provide Bid Protections, and (E) Setting a Date for the Sale Hearing* [D.I. 147] (the “Sale Procedures Order”), Debtor Baxano Surgical, Inc. (“Debtor”), with the consent of Hercules Technology Growth Capital, Inc. and after consultation with the Official Committee of Unsecured Creditors, hereby designates Exworks Capital Fund I, L.P. as the Stalking Horse in connection with the Debtor’s proposed sale of certain of its assets pursuant to the *Motion for Orders (I)(A) Approving Bidding Procedures, (B) Approving Form of Sale Notice and Assumption/Cure Notice, (C) Approving Procedures for Assumption and Assignment of Contracts and Leases, (D) Authorizing the Debtor to Designate a Stalking Horse and Provide Bid Protections, and (E) Setting a Date for the Sale Hearing, and (II) Authorizing and Approving (A) the Sale of the Debtors Assets, and (B) the Assumption and Assignment of Certain Contracts and Leases* [D.I. 43] (the “Sale Motion”).

¹ The last four digits of the Debtor’s tax identification numbers are 9022. The address of the Debtor’s corporate headquarters is 110 Horizon Drive, Suite 230, Raleigh, North Carolina 27615.

PLEASE TAKE NOTICE FURTHER that, pursuant to paragraph 13 of the Sale Procedures Order, Debtor on this date has filed with the Court:

- the Stalking Horse Agreement (as such term is defined in the Sale Motion) [D.I. 191]; and
- the Stalking Horse Blackline (as such term is defined in the Sale Procedures Order) [D.I. 192].

PLEASE TAKE NOTICE FURTHER that copies of the Stalking Horse Agreement and the Stalking Horse Blackline are available upon written request to undersigned counsel for the Debtor.

Dated: Wilmington, Delaware
December 31, 2014

STEVENS & LEE, P.C.

By: /s/ John D. Demmy

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