



SO ORDERED.

SIGNED this 11th day of October, 2018.

*Catharine R Aron*

UNITED STATES BANKRUPTCY JUDGE

**THE UNITED STATES BANKRUPTCY COURT  
MIDDLE DISTRICT OF NORTH CAROLINA  
GREENSBORO DIVISION**

<b>In re:</b>	)	<b>Chapter 11</b>
	)	
<b>Diverse Label Printing, LLC,</b>	)	<b>Case No. 18-10792</b>
	)	
	)	
<b>Debtor.</b>	)	
	)	

**ORDER (A) AUTHORIZING AND SCHEDULING AN AUCTION FOR THE SALE OF SUBSTANTIALLY ALL OF DEBTOR’S ASSETS, (B) APPROVING BIDDING PROCEDURES, (C) APPROVING PROCEDURES FOR THE ASSUMPTION AND ASSIGNMENT OF CONTRACTS AND LEASES; (D) AUTHORIZING THE DEBTOR TO DESIGNATE A STALKING HORSE BIDDER AND APPROVING A BREAK-UP FEE, (E) APPROVING THE FORM AND MANNER OF CERTAIN NOTICES, AND (F) SETTING A DATE FOR THE SALE HEARING**

THIS MATTER came before the Court after due notice and hearing on October 10, 2018 for purposes of an interim order establishing bidding procedures and other relief in connection with the Debtor’s Motion For Entry Of Orders (A) Authorizing And Scheduling An Auction For The Sale Of Substantially All Of Debtor’s Assets, (B) Approving Bidding Procedures, (C) Approving Procedures For The Assumption And Assignment Of Contracts And Leases; (D) Authorizing The Debtor To Designate A Stalking Horse Bidder And Approving A Break-Up Fee, (E) Approving The Form And Manner Of Certain Notices, (F) Setting A Date For The Sale Hearing, (G) Approving The Sale Of The Debtor’s Assets

To The Highest Or Best Bidder, And (H) Granting Related Relief (the “Sale Motion”)<sup>1</sup> filed by Diverse Label Printing, LLC (the “Debtor”), pursuant to §§ 105, 363 and 365 of the Bankruptcy Code and Rules 2002, 6004, 6006 and 9006 of the Federal Rules of Bankruptcy Procedure.

Upon consideration of the Sale Motion and the evidence submitted in support thereof, and it appearing that this Court has jurisdiction to consider the Sale Motion; that the relief requested in the Sale Motion is in the best interests of the Debtor, its estate, and all parties in interest; that adequate notice of the Sale Motion has been given; that exigent circumstances exist to justify a sale (the “Sale”) of the Debtor’s assets as defined in the Sale Motion and Bidding Procedures (the “Sale Assets”) pursuant to Section 363 of the Bankruptcy Code, rather than pursuant to a confirmed chapter 11 plan under Section 1129 of the Bankruptcy Code; and that the Sale is within the reasonable business judgment of the Debtor and is in the best interest of the estate, subject to exposing the Sale Assets to bids and after further hearing to confirm the Sale; and sufficient cause appearing therefore:

**IT IS HEREBY ORDERED THAT:**

1. The Sale Motion is GRANTED, to the extent set forth herein.
2. The “Bidding Procedures” attached as Exhibit A are hereby approved by this Court and incorporated by reference as if set forth fully herein. The failure specifically to include any provision of the Bidding Procedures in this Order shall not diminish or impair the effectiveness of such provision, it being the intent of this Court that the Bidding Procedures are authorized and approved in their entirety.
3. The Debtor is authorized to conduct an auction (the “Auction”) with respect to the Sale Assets. The Auction shall be held on **December 5, 2018**, commencing at 10:00 o’clock a.m. Eastern, at the office of Debtor’s counsel, Northen Blue, LLP, 1414 Raleigh Road, Suite 435, Chapel Hill, North Carolina 27517 (or such other location as may be determined by the Debtor and communicated to all Qualified Bidders at least two (2) business days before the Auction), and shall be governed by the Bidding Procedures.
4. The notices contemplated by the Sale Motion are adequate and sufficient notice of the proposed sale of the Sale Assets, the Auction, any proposed assumption and

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<sup>1</sup> Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Sale Motion, including exhibits attached thereto.

assignment of executory contracts or unexpired leases and any Cure Amounts associated therewith, and the Sale Hearing, and no additional notice need be given. Without limiting the generality of the foregoing, the Court specifically approves the “Sale Notice” attached as Exhibit B and the “Assignment Notice” attached as Exhibit C.

5. The procedures for the assumption and assignment of executory contracts and unexpired leases are approved. Unless the non-Debtor party to an executory contract or unexpired lease files an objection by the Assignment Objection Deadline set forth in the Assignment Notice, such counterparty shall be forever barred from objecting to the Cure Amount and forever barred and estopped from asserting or claiming any Cure Obligation (other than the Cure Amount listed on the Assignment Notice) against the Debtor, any Prevailing Bidder, any Back-up Bidder, or any other assignee of the relevant Contract or Lease.

6. The final hearing (the “Sale Hearing”) to consider the sale of the Sale Assets, including any proposed assumption and assignment of executory contracts and unexpired leases and the Cure Amounts related thereto, shall be held at 2:00 o’clock p.m. Eastern, on **December 6, 2018**, in Courtroom #2, U.S. Bankruptcy Court, 101 S. Edgeworth Street, Greensboro, North Carolina 27401.

7. Within three (3) business days after entry of this Order (the “Sale Procedures Order”), the Debtor shall serve copies of the Sale Procedures Order, the Bidding Procedures, the Sale Notice and the Assignment Notice on all known creditors and other parties-in-interest, (ii) all parties known by the Debtor to assert a lien or security interest in the Sale Assets, and (iii) all non-debtor parties to the Debtor’s executory contracts and unexpired leases.

8. In addition, although not required by the Bankruptcy Code or Rules, the Debtor shall also provide copies of the Sale Procedures Order, the Bidding Procedures and the Sale Notice to any parties who previously have expressed serious interest in acquiring all or a material portion of the Sale Assets.

[End of Document]

EXHIBIT A  
(BIDDING PROCEDURES)



together with the Debtor, the “Consulting Parties”) in their reasonable discretion, to consummate a transaction for the purchase of the Sale Assets, and (b) execute a confidentiality agreement in a form acceptable to the Consulting Parties in their reasonable discretion. The Debtor shall file with the Court, on or before the Bid Deadline (as defined below), a statement identifying any prospective bidder that is not allowed to conduct due diligence because of a determination by the Debtor that said person does not have the financial ability to consummate the purchase.

4. **Form APA.** To facilitate the sale, the Debtor has prepared a template asset purchase agreement (the “Form APA”), which is available upon request. The Form APA includes a mandatory allocation of purchase price that each bidder shall be required to complete with respect to the Sale Assets (the “Purchase Price Allocation”).

5. **Stalking Horse Designation.** If the Debtor, in consultation with the Committee, desires to designate a stalking horse bidder (the “Stalking Horse Bidder”), the Consulting Parties must (a) consult with First National Bank of Pennsylvania (“FNB”) regarding such designation, (b) enter into an agreement of sale in the form of the Form APA, with changes mutually acceptable to the Consulting Parties, the Stalking Horse Bidder and FNB (the “Stalking Horse Agreement”) on or before the Stalking Horse Designation Deadline (as defined below), (c) file a copy of the Stalking Horse Agreement and a blackline reflecting the differences, if any, between the Form APA and the Stalking Horse Agreement on or before the Stalking Horse Designation Deadline, and (d) serve a notice of such designation (with a statement that the Stalking Horse Agreement is on file and is available upon written request to counsel for the Debtor) upon all creditors and parties-in-interest (including all counterparties to executory contracts and unexpired leases proposed to be assumed and assigned to the Stalking Horse Bidder) within three (3) days of the filing of the Stalking Horse Agreement. Any designated Stalking Horse Bidder shall be deemed a Qualified Bidder (as defined below). All parties-in-interest shall be given an opportunity to object to the proposed Stalking Horse Agreement within seven (7) days of the Stalking Horse Agreement being filed with the Court, and, if necessary, a hearing may be held to consider any objections and the need to modify the sale timeline set forth herein. Any modifications to the timeline set forth herein shall be filed with the Court.

6. **Stalking Horse Designation Deadline.** Any Stalking Horse Bidder must be designated by the Debtor, in consultation with the Committee, and the Stalking Horse Agreement filed with the Court on or before **November 9, 2018** (the “Stalking Horse Designation Deadline”).

7. **Bid Requirements.** Any entity that is interested in purchasing the Debtor’s assets (a “Bidder”) must submit to the Debtor a bid (an “Initial Bid”) in conformance with this paragraph, in a manner such that the Initial Bid is received by the Debtor no later than the Bid Deadline (as defined below). The Debtor shall provide the Committee, through counsel, with copies of any Initial Bid within one (1) business day of receiving such bid. The Consulting Parties shall review all Initial Bids. The Consulting Parties shall have reasonable discretion in determining whether an Initial Bid is a conforming bid in accordance with the requirements of this paragraph. Every such Initial Bid must:

- a. Include an executed copy of a definitive Asset Purchase Agreement (the "Bidder's Agreement") specifying the assets to be purchased at closing and include a completed Purchase Price Allocation. The Bidder's Agreement shall not include any assets in addition to the Sale Assets. The Bidder's Agreement shall include a marked copy against the Form APA, or, if a Stalking Horse Bidder has been designated, marked against the Stalking Horse Agreement, to show all changes requested by the Bidder. The Bidder's Agreement also shall specify any executory contracts or unexpired leases which are to be assumed and assigned to the Bidder at closing.
  - b. If a Stalking Horse Bidder has been designated, any Initial Bid for the Sale Assets must propose a purchase price (the "Sale Price") that in the Consulting Parties' judgment has a value at least two times the Break-Up Fee (as defined below) greater than the Initial Bid of the Stalking Horse Bidder as set forth in the Stalking Horse Agreement.
  - c. Be irrevocable, subject only to final approval of the Bankruptcy Court, and not subject to further due diligence or conditional upon obtaining financing or any third-party approvals.
  - d. Be accompanied by admissible evidence in the form of affidavits or declarations establishing the Bidder's good faith, within the meaning of section 363(m) of the Bankruptcy Code.
  - e. Be accompanied by (i) financial statements or admissible evidence in the form of affidavits or declarations establishing that the Bidder is ready, willing, authorized, capable, and qualified, financially, legally, and otherwise, of unconditionally performing all obligations under the Bidder's Agreement in the event that it submits the prevailing bid at the Sale Hearing, and (ii) evidence that it is duly authorized and entitled to engage in the transaction contemplated by the Initial Bid without the consent of any entity that has not been obtained.
  - f. Be accompanied by a deposit equal to the greater of \$150,000 or two percent (2%) of the fixed purchase price under the Bidder's Agreement (the "Deposit Amount") in the form of a wire transfer or cashier's check payable to the Debtor and to be held in a non-interest-bearing segregated account pending completion of the Auction, and subject to the provisions set forth below.
- 8. Bid Deadline.** Any Initial Bid must be delivered to the Debtor by 4:00 o'clock p.m. Eastern, on **November 30, 2018** (the "Bid Deadline").
- 9. Non-Conforming Bids.** Any entity that fails to submit a timely, conforming Initial Bid, as set forth above, as determined by Debtor in its reasonable discretion and, in consultation with the Committee, shall be disqualified from bidding for the Sale Assets at the Auction. At least two (2) business days prior to the Auction Date, the Debtor shall file

with the Court and serve upon such Bidder a statement explaining the grounds for disqualification (“Statement of Disqualification”). Any party in interest may contest the Debtor’s determination as to whether an Initial Bid is conforming, but any such contest must be served upon the Debtor and filed with the Bankruptcy Court by the Objection Deadline (as defined below).

**10. Auction Procedures.** In the event that (a) a Stalking Horse Bidder has been designated and the Debtor receives one or more timely, conforming Initial Bids, or (b) a Stalking Horse Bidder has not been designated and the Debtor receives two or more timely, conforming Initial Bids (the Stalking Horse Bidder, if any, and each person who has submitted such a timely, conforming Initial Bid shall be referred to herein as a “Qualified Bidder”), the Debtor and its counsel shall conduct the Auction in which only Qualified Bidders may participate. The Auction shall be held on **December 5, 2018** (the “Auction Date”), commencing at 10:00 o’clock a.m. Eastern, at the office of Debtor’s counsel, Northen Blue, LLP, 1414 Raleigh Road, Suite 435, Chapel Hill, North Carolina 27517 (or such other location as may be determined by the Debtor and communicated to all Qualified Bidders at least two (2) business days before the Auction), and shall be governed by the following procedures:

- a. All bidders shall be deemed to have consented to the core jurisdiction of the Bankruptcy Court, to have consented to the Constitutional authority of the Bankruptcy Court to enter a final judgment, and to have waived any right to jury trial in connection with any disputes relating to the Auction and/or the sale of the Sale Assets.
- b. Bidding will commence at an amount of the highest or otherwise best conforming Initial Bid submitted by a Qualified Bidder, as determined by Debtor in its reasonable discretion. The Debtor will conduct the bidding process sequentially or concurrently as it deems appropriate and in the best interests of the estate.
- c. Each subsequent bid by a Qualified Bidder shall be in increments that increase the aggregate consideration above the previous bid in an amount to be determined by the Debtor at the Auction.
- d. Each Qualified Bidder should be prepared to make its best and final offer at the Auction, and the Debtor reserves all rights to grant or deny any request for a continuance or recess of the Auction or the Sale Hearing.
- e. Upon conclusion of the Auction, the Debtor, in consultation with the Committee, shall designate the highest or otherwise best bidder as the prevailing bidder (the “Prevailing Bidder”) and the next highest or otherwise best bidder after the Prevailing Bidder (the “Back-up Bidder”).
- f. The Debtor shall file a Report of Auction upon completion of the Auction, designating the Prevailing Bidder and the Back-up Bidder, if applicable, setting forth in each instance the amount of the respective Bids.



**11. Back-up Bidder.** Any objection to the designation of the Back-up Bidder shall be raised at the Sale Hearing and decided by the Bankruptcy Court. If, for any reason, the Prevailing Bidder is unable or unwilling timely to perform its obligations under the Prevailing Bidder's definitive sale agreement and the Bidding Procedures, the Debtor, in the exercise of its business judgment, may sell the Sale Assets to the Back-up Bidder without further notice or a hearing. The Back-up Bidder's bid shall remain open and binding until the sale to the Prevailing Bidder closes or, if the Prevailing Bidder is unable or unwilling to close and the Debtor elects to sell to the Back-up Bidder, until the sale to the Back-up Bidder closes.

**12. Break-Up Fee.** Solely in the event that (i) the Debtor designates a bidder as a Stalking Horse Bidder, (ii) the Bankruptcy Court enters an order approving the sale to an entity other than the Stalking Horse Bidder, (iii) the Stalking Horse Bidder has not committed a material default under its Stalking Horse Agreement, and (iv) the Debtor does not sell to the Stalking Horse Bidder, the Debtor shall pay to the Stalking Horse Bidder a break-up fee equal to the lesser of \$150,000 or two percent (2%) of the Sale Price set forth in the Stalking Horse Agreement for its time spent and expenses incurred in connection with negotiating the Stalking Horse Agreement and for the value it brought to the bankruptcy estate by providing a stalking horse bid and entering into the Stalking Horse Agreement. The break-up fee shall be payable only on the closing of the sale to an entity other than the Stalking Horse Bidder. Except as expressly provided herein, the Stalking Horse Bidder shall not be entitled to any other overbid, expense reimbursement, topping or break-up fee of any nature.

**13. Objection.** Any objection to the Sale Motion, a Statement of Disqualification, the Auction, the designation of the Prevailing Bidder or the Back-up Bidder, or entry of the Sale Order (an "Objection") must be filed with the Bankruptcy Court and served upon (i) counsel for the Debtor, John A. Northen, Northen Blue, LLP, P.O. Box 2208, Chapel Hill, North Carolina 27515-2208; (ii) counsel for the Bankruptcy Administrator, Robert E. Price, Jr., 101 S. Edgeworth Street, Greensboro, North Carolina 27401; and (iii) counsel for the Committee appointed in the Bankruptcy Case, David H. Conaway, Shumaker, Loop & Kendrick, LLP, 101 S. Tryon Street, Suite 2200, Charlotte, North Carolina 28280, in a manner such that the Objection is filed and received by such parties and the Bankruptcy Court on or before the commencement of the Sale Hearing (the "Objection Deadline"). The Debtor and other parties-in-interest shall not be required to file responses to any Objection. The foregoing notwithstanding, counterparties to executory contracts and unexpired leases may object to the assumption and assignment of such executory contracts and unexpired leases on the basis of lack of adequate assurance of future performance (but no other basis) by raising such objection at the Sale Hearing and in the absence of a timely written, filed and served Objection.

**14. Sale Hearing.** The final hearing to approve the Prevailing Bidder and the Back-up Bidder (the "Sale Hearing") shall be held before the Bankruptcy Court at 2:00 p.m. Eastern, on **December 6, 2018**, in Courtroom #2, U.S. Bankruptcy Court, 101 S. Edgeworth Street, Greensboro, North Carolina 27401. The Prevailing Bidder and the Back-up Bidder, if one is designated, shall appear at the Sale Hearing, in person or through a duly authorized representative and not solely through counsel. The Sale Hearing may be adjourned from

time to time without further notice to creditors or parties in interest other than by announcement of the adjournment in open court on the date scheduled for the Sale Hearing. On or before 5:00 p.m. Eastern on **December 11, 2018**, the Prevailing Bidder shall increase its Deposit Amount to ten percent (10%) of the fixed purchase price under the Bidder's Agreement.

**15. Business Judgment.** The Debtor may recommend a sale to any Qualified Bidder pursuant to a bid which the Debtor determines, exercising reasonable business judgment, to be in the best interests of the bankruptcy estate. The Debtor may reject, at any time before the entry of an order of the Bankruptcy Court approving a bid from a Qualified Bidder, any bid that is deemed inadequate or insufficient, not in substantial conformity with the Bankruptcy Code or these Bidding Procedures, or contrary to the best interests of the estate and its creditors. In exercising business judgment as to which bid constitutes the highest or otherwise best bid, the Debtor may consider all factors which it may deem relevant, subject to the parties' right to object and raise any such issues with the Bankruptcy Court. The Debtor, in consultation with the Committee, also may modify these bidding procedures, exercising reasonable business judgment, if the Debtor determines such modification to be in the best interests of the bankruptcy estate.

**16. Disposition of Deposits.** Promptly following the Bankruptcy Court's determination of the Prevailing Bidder, the deposits submitted by any Bidders shall be refunded to each unsuccessful bidder other than the Back-up Bidder, if any. The deposits of the Prevailing Bidder and the Back-up Bidder shall be retained as earnest money to be used in the following ways:

- a. The deposit of the Prevailing Bidder shall either be (i) applied at closing as a credit toward the purchase price of the Prevailing Bidder or, if the purchase price is paid in full at closing, returned to the Prevailing Bidder, (ii) if the sale to the Prevailing Bidder shall fail to timely close by reason of a breach or default of the Prevailing Bidder, the deposit shall be retained by the Debtor as liquidated damages, or (iii) in the event that the sale to the Prevailing Bidder shall fail to timely close by reason of a breach or default of the Debtor, the deposit shall be returned to the Prevailing Bidder.
- b. The deposit of the Back-up Bidder shall either be (i) returned to the Back-up Bidder upon the closing of the transaction with the Prevailing Bidder, (ii) if the sale to the Prevailing Bidder shall fail to close for any reason, applied at closing as a credit toward the purchase price of the Back-up Bidder, (iii) if the sale to the Back-up Bidder shall fail to timely close by reason of a breach or default of the Back-up Bidder, retained by the Debtor as liquidated damages, or (iv) if the sale to the Back-up Bidder shall fail to timely close by reason of a breach or default of the Debtor, the deposit shall be returned to the Back-up Bidder.

**17. Closing Date.** The closing of the sale of the Sale Assets must occur as soon as practicable but in any event within three (3) days of the date on which the Sale Order becomes a final, non-appealable order (or such later date as the Debtor may agree).

EXHIBIT B  
(SALE NOTICE)

**THE UNITED STATES BANKRUPTCY COURT  
MIDDLE DISTRICT OF NORTH CAROLINA  
GREENSBORO DIVISION**

<b>In re:</b>	)	<b>Chapter 11</b>
	)	
<b>Diverse Label Printing, LLC,</b>	)	<b>Case No. 18-10792</b>
	)	
	)	
<b>Debtor.</b>	)	
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**SALE NOTICE**

TAKE NOTICE that certain bidding procedures (the “Bidding Procedures”) have been approved and authorized by order (the “Sale Procedures Order”) of the United States Bankruptcy Court for the Middle District of North Carolina (the “Bankruptcy Court”) in the Chapter 11 case of Diverse Label Printing, LLC (the “Debtor”), designated as Case No. 18-10792 (the “Bankruptcy Case”).

The Bidding Procedures govern the proposed sale (the “Sale”), including any auction (the “Auction”) conducted in connection therewith, of substantially all of the assets of the Debtor’s bankruptcy estate pursuant to the Debtor’s motion for an order authorizing the Sale and granting related relief (the “Sale Motion”).

This Notice and the Sale Hearing (as defined below) is subject to the fuller terms and conditions of the Sale Procedures Order, the Bidding Procedures and the Sale Motion, which shall control in the event of any conflict, and the Debtor encourages parties-in-interest to review such documents in their entirety. A copy of the Sale Procedures Order, the Bidding Procedures, the Sale Motion and the Form APA (i.e., the template asset purchase agreement) may be obtained on written request to the Debtor or its counsel.

**Stalking Horse Designation Deadline.** Any Stalking Horse Bidder must be designated by the Debtor, in consultation with the Official Committee of Unsecured Creditors (the “Committee”), and the Stalking Horse Agreement filed with the Court on or before **November 9, 2018**.

**Initial Bid and Bid Deadline.** Any entity that is interested in purchasing the Debtor’s assets must submit to the Debtor a bid in conformance with the Bidding Procedures (an “Initial Bid”). Any Initial Bid must be delivered to the Debtor by 4:00 o’clock p.m. Eastern, on **November 30, 2018**.

**Auction and Bidding Procedures.** In the event that (a) a Stalking Horse Bidder has been designated and the Debtor receives one or more timely, conforming Initial Bids, or (b) a Stalking Horse Bidder has not been designated and the Debtor receives two or more timely, conforming Initial Bids (the Stalking Horse Bidder, if any, and each person who has submitted such a timely, conforming Initial Bid, a “Qualified Bidder”), the Debtor and

its counsel shall conduct the Auction in which only Qualified Bidders may participate. The Auction shall be held on **December 5, 2018**, commencing at 10:00 o'clock a.m. Eastern, at the office of Debtor's counsel, Northen Blue, LLP, 1414 Raleigh Road, Suite 435, Chapel Hill, North Carolina 27517 (or such other location as may be determined by the Debtor and communicated to all Qualified Bidders at least two (2) business days before the Auction), and shall be governed by the Bidding Procedures.

**Sale Hearing.** The final hearing to approve the Prevailing Bidder and, if one is designated, the Back-up Bidder (the "**Sale Hearing**") shall be held before the Bankruptcy Court at 2:00 o'clock p.m. Eastern, on **December 6, 2018**, in Courtroom #2, U.S. Bankruptcy Court, 101 S. Edgeworth Street, Greensboro, North Carolina 27401. The Prevailing Bidder and the Back-up Bidder, if designated, shall appear at the Sale Hearing, in person or through a duly authorized representative and not solely through counsel. The Sale Hearing may be adjourned from time to time without further notice to creditors or parties in interest other than by announcement of the adjournment in open court on the date scheduled for the Sale Hearing.

**Objection.** Any objection to the Sale Motion, a Statement of Disqualification (as defined in the Bidding Procedures), the Auction, the designation of the Prevailing Bidder or the Back-up Bidder, or entry of the Sale Order (an "**Objection**") must be filed with the Bankruptcy Court and served upon (i) counsel for the Debtor, John A. Northen, Northen Blue, LLP, P.O. Box 2208, Chapel Hill, North Carolina 27515-2208; (ii) counsel for the Bankruptcy Administrator, Robert E. Price, Jr., 101 S. Edgeworth Street, Greensboro, North Carolina 27401; and (iii) counsel for the Committee appointed in the Bankruptcy Case, David H. Conaway, Shumaker, Loop & Kendrick, LLP, 101 S. Tryon Street, Suite 2200, Charlotte, North Carolina 28280, in a manner such that the Objection is filed and received by such parties and the Bankruptcy Court on or before the commencement of the Sale Hearing. The Debtor and other parties in interest shall not be required to file responses to any Objection. The foregoing notwithstanding, counterparties to executory contracts and unexpired leases may object to the assumption and assignment of such executory contracts and unexpired leases on the basis of lack of adequate assurance of future performance (but no other basis) by raising such objection at the Sale Hearing and in the absence of a timely written, filed and served Objection.

EXHIBIT C  
(ASSIGNMENT NOTICE)

**THE UNITED STATES BANKRUPTCY COURT  
MIDDLE DISTRICT OF NORTH CAROLINA  
GREENSBORO DIVISION**

<b>In re:</b>	)	<b>Chapter 11</b>
	)	
<b>Diverse Label Printing, LLC,</b>	)	<b>Case No. 18-10792</b>
	)	
	)	
<b>Debtor.</b>	)	
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**NOTICE OF POSSIBLE ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES AND OF CURE AMOUNTS**

TAKE NOTICE that certain bidding procedures (the “Bidding Procedures”) have been approved and authorized by order (the “Sale Procedures Order”) of the United States Bankruptcy Court for the Middle District of North Carolina (the “Bankruptcy Court”) in the Chapter 11 case of Diverse Label Printing, LLC (the “Debtor”), designated as Case No. 18-10792 (the “Bankruptcy Case”).

The Bidding Procedures govern the proposed sale (the “Sale”), including any auction (the “Auction”) conducted in connection therewith, of substantially all of the assets of the Debtor’s bankruptcy estate pursuant to the Debtor’s motion for an order authorizing the Sale and granting related relief (the “Sale Motion”). A copy of the Sale Procedures Order, the Bidding Procedures, and the Sale Motion may be obtained on written request to the Debtor or its counsel.

The Bidding Procedures contemplate the possible assumption and assignment of certain executory contracts and unexpired leases (each, a “Contract or Lease”) listed on Exhibit A in conjunction with the Sale at the Sale Hearing (as defined below). If the Debtor assumes a Contract or Lease to which you are a party, the Debtor is required to promptly cure certain defaults under the Contract or Lease as more specifically set forth in the Bankruptcy Code (such defaults which are required to be cured are hereafter referred to as the “Cure Obligations”).

The Debtor believes that, as to each Contract or Lease identified on Exhibit A, upon payment of any amount listed opposite the name of the non-debtor counterparty (the “Cure Amount”), all Cure Obligations as to such Contract or Lease will be satisfied.

Any objection (an “Objection”) to the Cure Amount or to the Debtor’s assumption and assignment of any Contract or Lease (other than on the basis of lack of adequate assurance of future performance by the Prevailing Bidder or Back-up Bidder) must be filed with the Bankruptcy Court and served upon (i) counsel for the Debtor, John A. Northen, Northen Blue, LLP, P.O. Box 2208, Chapel Hill, North Carolina 27515-2208; (ii) counsel for the Bankruptcy Administrator, Robert E. Price, Jr., 101 S. Edgeworth Street,

Greensboro, North Carolina 27401; and (iii) counsel for the Committee appointed in the Bankruptcy Case, David H. Conaway, Shumaker, Loop & Kendrick, LLP, 101 S. Tryon Street, Suite 2200, Charlotte, North Carolina 28280, in a manner such that the Objection is filed and received by such parties and the Bankruptcy Court on or before **November 21, 2018** (the “Assignment Objection Deadline”). The Objection must be made in writing and (a) state with specificity the basis for such objection, and (b) if you disagree with the Cure Amount, state what amount you believe is required in order to satisfy the Cure Obligation related to the Contract or Lease to which you are a counterparty. The Debtor and other parties in interest shall not be required to file responses to any Objection.

The final hearing to approve the Prevailing Bidder and the Back-up Bidder, and in conjunction therewith the assumption and assignment of Contracts and Leases (the “Sale Hearing”), shall be held before the Bankruptcy Court at 2:00 o’clock p.m. Eastern, on **December 6, 2018**, in Courtroom #2, U.S. Bankruptcy Court, 101 S. Edgeworth Street, Greensboro, North Carolina 27401. If an Objection is timely filed and served, a hearing with respect to the Objection will take place at the Sale Hearing. If an Objection is not timely filed and served, the counterparty to such Contract or Lease will: (a) be forever barred from objecting to the Cure Amount and from asserting any additional Cure Obligations, and (b) be forever barred and estopped from asserting or claiming against the Debtor or the assignee of such Contract or Lease that any additional Cure Obligations are due, or conditions to assumption and assignment (other than demonstration of adequate assurance of future performance) must be satisfied with respect to such Contract or Lease in order for such Contract or Lease to be assumed and assigned.

After the Auction, the Debtor will file, but not serve, a notice that identifies the Prevailing Bidder and any Back-up Bidder.

If the Prevailing Bidder and/or Back-up Bidder propose to have the Debtor assume and assign to such Bidder a Contract or Lease to which you are a counterparty, you will have the opportunity to evaluate and, if necessary, challenge the ability of such Bidder to provide adequate assurance of future performance under such Contract or Lease, whether or not you file an Objection, by appearing at the Sale Hearing and stating such objection on the record. At the Sale Hearing, the Debtor will present evidence necessary to demonstrate adequate assurance of future performance by such Bidder.

YOU WILL NOT RECEIVE A NOTICE BETWEEN THE DATE OF THE AUCTION AND THE SALE HEARING ADVISING WHETHER THE CONTRACT OR LEASE TO WHICH YOU ARE A PARTY HAS BEEN DESIGNATED FOR ASSUMPTION AND ASSIGNMENT TO THE PREVAILING BIDDER AND/OR BACK-UP BIDDER. WHILE THERE IS NO CERTAINTY THAT ANY PARTICULAR CONTRACT OR LEASE WILL BE DESIGNATED FOR ASSUMPTION AND ASSIGNMENT, IF YOU HAVE ANY OBJECTION TO THE ASSUMPTION AND ASSIGNMENT OF YOUR CONTRACT OR LEASE, YOU (1) MUST FILE A TIMELY OBJECTION AS SET FORTH HEREIN, AND (2) AS TO ANY OBJECTIONS BASED ON LACK OF ADQUATE ASSURANCE OF FUTURE PERFORMANCE, APPEAR AT THE SALE HEARING.



**EXHIBIT A  
(ASSIGNMENT NOTICE)**

<b>Name of Counterparty</b>	<b>Contract/Lease</b>	<b>Cure Amount</b>
4895-4995 Outland Center Drive, LLC	Lease Agreement dated January 4, 2016 for the premises located at 4995 Outland Center Drive, Memphis, Tennessee	\$0.00
Carolina Hosiery Mills, Inc.	Triple Net Lease Agreement dated July 1, 2018 for premises located at 1626 Anthony Road, Burlington, North Carolina	\$0.00
O-Ring Sales & Service, Inc.	Sublease dated September 1, 2017 for the premises located at 15007 W. 95 <sup>th</sup> Street, Lenexa, Kansas	\$0.00
PJT Management, LLC	Lease Agreement dated July 25, 2017 for a portion of the premises located at 165 W. Crescentville Road, Cincinnati, Ohio	\$0.00
Ron Greene	Commercial Lease dated November 22, 2017 for the premises located in Fort Morgan, Colorado	\$0.00
Accountemps	Staffing Agreement dated June 4, 2018	\$0.00
Empire Packing Company, L.P.	Customer Supply Agreement	\$0.00
Pepsico	Master Purchase and Sale Agreement dated December 18, 2015	\$0.00
Scale Finance, LLC	Engagement Agreement dated May 15, 2018 for accounting services	\$0.00

<b>Name of Counterparty</b>	<b>Contract/Lease</b>	<b>Cure Amount</b>
Vantage Foods	Supply Agreement dated March 24, 2014	\$0.00
Berry Material Handling	Agreement re: pallet jacket equipment	\$0.00
California Business Machines	Agreement re: office copier machine	\$0.00
Lift Parts Service, LLC	Agreement re: 2 forklifts	\$0.00
Penske Truck Leasing Co, LP	Agreement re: rental box trucks	\$0.00
SumnerOne	Agreement re: office copier machine	\$0.00
Toshiba Business Solutions	Agreement re: copier machine	\$0.00
Adobe Systems, Inc.	Agreement re: pre press software	\$0.00
LaunchMFG, LLC	Exclusive Supply Agreement	\$0.00