

SEALED BID PACKAGE

2001 Kampf 69" Aluminum Slitting Line

Bid Deadline: November 15, 2018

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Bid Procedures

Hilco Industrial, LLC (“Hilco”) is pleased to announce an opportunity to acquire, through a sealed bid sale, a 2001 Kampf 69” x .002”-.015” x 2600-FPM Aluminum Slitting Line (as further detailed on Appendix 1 hereto).

Asset Location:

1300 Cunningham Street, Winston-Salem, NC (the “Facility”)

- The equipment is available for inspection by appointment. Please contact Mark Reynolds at (205) 403-5972 or mreynolds@hilcoglobal.com
- Detailed descriptions and photos available at: <https://www.hilcoind.com/sale/kampf-slitting>

All bids, subject to the Terms and Conditions attached hereto as Appendix 3 (the “Terms and Conditions” for the machinery & equipment), must (i) be received in the Sealed Bid Form (attached hereto as Appendix 1) no later than November 15, 2018 at 5:00 ET, and (ii) be accompanied by a deposit of 5% of the total bid amount remitted by wire transfer to the Deposit Account (attached hereto as Appendix 5).

Any amendments to the agreement made by a prospective purchaser are permitted but may affect the validity of the bid and will be considered when determining the highest and best bid.

Hilco will notify the winning bidders no later than November 20, 2018. Deposits from the winning bidders will be applied to their purchase and shall be non-refundable. Deposits from unsuccessful bidders will be returned no later than November 27, 2018.

All assets must be removed from the facility no later than March 29, 2019.

Determination of Highest or Otherwise Best Bid:

Hilco shall determine, in its sole and absolute discretion, which bid it deems to be the highest or otherwise best bid, keeping in mind that the highest bid for an Asset may not be the otherwise best bid. Hilco further reserves the right, in its sole and absolute discretion, to reject at any time prior to signing a bill of sale, without liability, any bid that Hilco deems to be inadequate or insufficient, or not in conformity with the requirements of the procedures set forth herein or the Terms and Conditions.

The selection of a winning bidder shall be within the business judgment of Hilco. Hilco will be deemed to have accepted a bid only when the purchase price for such asset has been paid in full and Hilco and the winning bidder have executed a Bill of Sale in the form attached hereto as Appendix 5.

Closing with Backup Offeror(s):

If for any reason the entity or entities that submit(s) the highest or otherwise best bid(s) fail to consummate the purchase of the M&E Assets, the offeror of the second highest or best bid will automatically be deemed to have submitted the highest or best bid. Hilco shall affect the sale of the assets, or any part thereof, to such offeror(s) as soon as is commercially reasonable. If such failure to consummate the purchase is the result of a breach by the winning offeror, Hilco reserves the right to seek all available damages from the defaulting offeror.

Appendix 1

SEALED BID FORM

To: Hilco Industrial LLC
171 Monroe Ave NW
Suite 500
Grand Rapids, MI 49503

Attention: Mark Reynolds

Telephone: (205) 403-5942

Email: mreynolds@hilcoglobal.com

1. _____
(Name of Prospective Purchaser)

2. _____
(Postal Address of Prospective Purchaser)

(Email Address of Prospective Purchaser)

3. _____
(Telephone Number)

4. The undersigned hereby submits this offer to purchase the following asset(s):

<u>Lot</u>	<u>Description</u>
1	2001 Kampf 69" x .002"-.015" x 2600-FPM Aluminum Slitting Line, with Scissors Cut Slitting System, Edge Trimming, Unwind w/ Stepped Expanding Heads, Rewind Reels w/ Pusher Plates, Elongation Unit, Siemens Programming Unit, Unwind Side Coil Car w/ Saddle, (2) Rewind Side Finish Roll Transport Carts, Maintenance Platform and More

5. Total bid amount: USD\$ _____
6. Total deposit amount (5% of total bid required): USD\$ _____
7. The undersigned agrees that the Terms and Conditions of Sale including all tabs/schedules in the Sealed Bid Package provided by Hilco Industrial, LLC, a copy of which has been received by the undersigned, form an integral part of and are incorporated in this offer as if restated in their entirety.

Dated this ____ day of _____, 2018.

(Print name of Prospective Purchaser)

Per: _____

(Signature)

Its: _____

Appendix 2

Terms & Conditions

By submitting a bid, you hereby expressly accept and agree to be bound by, and to be liable for breaches of, the following Terms and Conditions. These Terms and Conditions apply to all sales conducted by Hilco, including, without limitation, private treaty sales, webcasts, auctions, and other sales (each and collectively, a "Sale"), unless otherwise specifically stated by Hilco.

- EVERY ITEM SOLD "AS IS, WHERE IS" AND WITH ALL FAULTS.
- NO GUARANTEES OR WARRANTIES WHATSOEVER, INCLUDING NO REPRESENTATION OR WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.
- PLEASE INSPECT THE ITEMS BEFORE BIDDING.
- ALL SALES ARE FINAL - NO EXCEPTIONS.
- Bidder Information. Each Bidder expressly agrees to provide accurate and complete contact, financial, Credit Card, and other requested information. Each Bidder hereby further expressly agrees that, whether each such Bidder is acting as a principal, an agent, or an officer, director, or other representative of an entity, or in any other capacity whatsoever, each such Bidder is personally liable for and shall be bound to remit payment of the purchase price, taxes, and any other amounts payable with respect to any and all Assets for which the Bidder is the "successful bidder" (in each case, the "Purchaser") at the Sale (such Assets, the "Purchased Assets").
- Collusion. By participating in a Sale (whether you bid or not), you represent that you have not engaged in any collusive activity regarding such Sale, and you agree to disclose any person with whom you have made an agreement regarding the bidding upon, or purchase of, any item.
- Payment Terms. ALL PURCHASES MUST BE PAID IN FULL WITHIN FORTY-EIGHT (48) HOURS OF RECEIPT OF INVOICE. Invoices will be e-mailed, typically within 24 hours after the winning bidder is selected. All payments must be made by Cashier's Check, Wire Transfer or Company Check with Bank Letter of Guarantee. Checks must be made payable to Hilco Industrial, LLC. In some cases, a Credit Card will also be accepted up to a specified amount. Absolutely no Purchased Assets will be removed before payment is made in full.
- Applicable Taxes. Each Purchaser expressly acknowledges and agrees that any federal, state, sales and transfer taxes, registration charges and transfer fees arising from a Sale of the Purchased Assets to such Purchaser shall be paid to Hilco upon receipt of invoice. Any Purchaser who claims one or more exemptions from sales or other taxes expressly agrees to provide proof satisfactory to Hilco, in its sole discretion, of such Purchaser's entitlement to each such exemption together with an indemnity saving Hilco harmless from any liability in respect of such taxes. In the absence of proof and/or an indemnity satisfactory to Hilco, in its sole discretion, taxes shall be paid by the Purchaser.
- Hilco's Reservation of Rights. The sale of all Assets will conform to the bid process as determined by Hilco, in its sole and absolute discretion, and Hilco reserves the right to sell Assets by individual group lots, "EN BLOC", or otherwise, as Hilco deems appropriate. Each Bidder hereby expressly acknowledges and agrees that Hilco may, in its sole discretion, reject any and all bids at any time. Should any dispute arise between two or more Bidders or as to any bid, the Asset(s) in question may, in Hilco's sole discretion, be immediately offered for sale again and resold in which case Hilco shall be deemed to have rejected each such bid. Each Bidder hereby expressly acknowledges and agrees that (i) Hilco shall regulate all matters relating to the conduct of the Sale, including (without limitation) bidding and bidding disputes, (ii) Hilco shall be the sole arbiter of any disputes, and (iii) Hilco's decision(s) shall be final and binding on all Bidders.

- Bids are Final. Each Bidder hereby expressly acknowledges and agrees that (i) once submitted a bid shall be binding on the Bidder who submitted such bid and (ii) no bid may be retracted by a Bidder or other party.
- **“AS IS, WHERE IS”; NO WARRANTIES. BY SUBMITTING A BID, EACH BIDDER EXPRESSLY ACKNOWLEDGES AND AGREES THAT ALL SALES ARE (I) FINAL, (II) ON AN "AS IS, WHERE IS", "IN PLACE", "WITH ALL FAULTS" BASIS WITH NO CONDITIONS OR WARRANTIES, WHETHER EXPRESSED, IMPLIED, STATUTORY OR OTHERWISE, INCLUDING WITHOUT LIMITATION, WARRANTIES OR CONDITIONS AS TO (A) DESCRIPTION, (B) FITNESS FOR PARTICULAR PURPOSE(S), (C) QUALITY, (D) MERCHANTABILITY, (E) CONDITION, (F) CONFORMITY TO ANY STANDARD IN RESPECT OF SAFETY, POLLUTION OR HAZARDOUS MATERIAL OR TO ANY STANDARD OR REQUIREMENT OF ANY APPLICABLE AUTHORITY, LAW, RULE, ORDINANCE, OR REGULATION, (G) FINANCABILITY, (H) AGE, YEAR OF MANUFACTURE, MODEL, OR MAKE, (I) OR OTHERWISE. HILCO EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESSED, IMPLIED, STATUTORY OR OTHERWISE, INCLUDING WITHOUT LIMITATION, WARRANTIES OR CONDITIONS AS TO (A) DESCRIPTION, (B) FITNESS FOR PARTICULAR PURPOSE(S), (C) QUALITY, (D) MERCHANTABILITY, (E) CONDITION, (F) CONFORMITY TO ANY STANDARD IN RESPECT OF SAFETY, POLLUTION OR HAZARDOUS MATERIAL OR TO ANY STANDARD OR REQUIREMENT OF ANY APPLICABLE AUTHORITY, LAW, RULE, ORDINANCE, OR REGULATION, (G) FINANCABILITY, (H) AGE, YEAR OF MANUFACTURE, MODEL, OR MAKE, (I) OR OTHERWISE. BIDDERS ARE STRONGLY ENCOURAGED TO INSPECT ALL ASSETS BEFORE BIDDING. PREVIEW AND INSPECTION INSTRUCTIONS HAVE BEEN PROVIDED.**
- No Reliance on Information. All descriptions, advertising, lot catalogs, or any other source of information (oral or written) concerning the Assets provided by Hilco or otherwise obtained by a Bidder from a source other than Hilco (collectively, the “Information”) are subject to additions, deletions, changes, and modifications at any time prior to purchase and sale. Each Bidder expressly acknowledges and agrees that no Sale of any Asset may be invalidated by a Bidder because of an error, inaccuracy, or other fault in the Information. Each Bidder hereby expressly acknowledges and agrees that the Information has been prepared for informational purposes only and shall not and may not be relied upon by any Bidder for any purpose, including (without limitation) accuracy or completeness. By bidding on the Assets, Bidder represents, warrants, covenants and agrees that each such Bidder is relying upon each such Bidder’s own investigation, inspection, research, and analysis of the Asset(s) for which a bid has been submitted and is not in any way relying upon the Information provided by Hilco or any other third party.
- Safety and Repair of Purchased Assets. Each Bidder expressly agrees that, following the Sale and removal of the Purchased Assets, but prior to operating or otherwise using the Purchased Assets, such Bidder shall retain a qualified person to inspect all Purchased Assets for safety and operational purposes. Each Bidder further expressly agrees to repair or restore, at Bidder’s sole cost and expense, all Purchased Assets to a safe operating condition that, among other things, meets any standard or requirement of any applicable governmental authority, law or regulation, including (without limitation) those concerning any use to which the Purchased Assets may be put.
- Removal of Purchased Assets. All Purchased Assets shall be removed within the time frame specified by Hilco; provided, however, that no Purchaser shall be authorized or permitted to remove any Purchased Assets prior to receipt by Hilco of payment for such Purchased Assets. Each Purchaser expressly acknowledges and agrees that each such Purchaser shall be responsible for all costs and expenses associated with removal of the Purchased Assets and shall be liable to Hilco, USIP III SPE II, LLC (“Landlord”), and all other third parties for any personal injury or death to any person or damage to property. Each Purchaser shall notify Hilco not less than 24 hours in advance of the date on which and the time at which it intends to remove the Purchased Assets.
- Bidder Compliance with Applicable Law. Each Purchaser expressly acknowledges and agrees that each such Purchaser and its employees, officers, directors, agents, representatives and designees shall

comply with all health and safety, environmental, and other applicable laws, rules, and regulations and all requirements established by Hilco and Landlord and their agents and/or designees for the removal of Purchased Assets, including (without limitation) requirements as to insurance requirements.

- Privacy Policy. Unless you ask us not to, we may contact you via email in the future to tell you about new sales or special events that may be of interest to you. We will not share your information with any third party outside of our organization, other than as necessary to fulfill your request, e.g. to inform you of a sale. Please review our Privacy Policy for detailed information.
- Bidding as a Privilege. Hilco reserves the right to refuse any applicant the privilege of bidding or attending at the Sale event and may revoke such privilege at any time.
- Time is of the Essence. Each Purchaser hereby expressly acknowledges and agrees that time is of the essence in performing Purchaser's obligations associated with the purchase and removal of the Purchased Assets. If a Purchaser fails to make payment or remove any Purchased Asset within the time periods provided, Hilco may (but shall not be obligated to) resell each such Purchased Asset by auction, private contract or otherwise, as Hilco in its discretion deems advisable, and the Purchaser shall be liable for the difference between the price at which the Purchased Assets were resold and price that should have been paid by Purchaser, plus all costs and expenses incurred by Hilco, plus interest (at a minimum rate of 1.5% per month or 18% per annum), legal fees, moving and storage (at a minimum rate of \$2.00/sq. ft. per month) and commissions related to such resale.
- Indemnity. Each Bidder hereby agrees to indemnify, defend, and hold harmless Hilco, Landlord, and their employees, independent contractors, subcontractors, representatives, invitees, agents, affiliates, or other representatives from and against and with respect to any and all loss, liability, assessment, claim, cause of action, demand, damage or expense, (including, without limitation, reasonable attorneys' fees), court costs, penalties, charges and amounts paid in settlement of the foregoing arising from or related to (i) the purchase and sale of the Assets, (ii) Bidder's acknowledgements, agreements, covenants, representations, or warranties in these terms and conditions, or (iii) any personal injury or death or any damage to property caused, in whole or in part, by such Bidder or such Bidder's Representatives.
- **LIMITATION OF LIABILITY. EACH BIDDER HEREBY EXPRESSLY ACKNOWLEDGES AND AGREES THAT, REGARDLESS OF CIRCUMSTANCES AND REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, OR OTHERWISE, ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE OR EXEMPLARY LOSSES OR DAMAGES OF ANY NATURE OR KIND WHATSOEVER INCURRED OR EXPERIENCED BY ANY BIDDER, PURCHASER, OR PURCHASER REPRESENTATIVES ARE HEREBY EXPRESSLY WAIVED AND RELEASED.**

Appendix 3

BILL OF SALE - MACHINERY & EQUIPMENT

This Bill of Sale (this "Bill of Sale"), is executed and delivered as of _____, 2018, by Hilco Industrial, LLC, a Delaware limited liability company (the "Seller"), to _____, a _____ (the "Purchaser").

WHEREAS, on the terms and subject to the conditions of the Sealed Bid Package for the 2001 Kampf 69" x .002"-.015" x 2600-FPM aluminum slitting line and that certain Sealed Bid Form submitted and executed by the Purchaser, Seller agreed to sell, convey, transfer, and assign to Purchaser the assets set forth on attached Exhibit A (the "Transferred Assets").

NOW, THEREFORE, for the consideration set forth in the Sealed Bid Form and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged:

Section 1. Defined Terms. All initially capitalized terms used but not defined herein have the meaning given them in the Sealed Bid Package.

Section 2. Transfer of Transferred Assets. On the terms and subject to the conditions set forth in the Sealed Bid Package, Seller hereby sells, conveys, transfers, and assigns to Purchaser, and Purchaser's successors and assigns, all of the right, title, and interest of Seller in and to the Transferred Assets.

Section 3. Binding on Successors; No Third Party Beneficiaries. This Bill of Sale shall be binding upon and inure to the benefit of the parties hereto and the successors in interest and permitted assigns of such parties. This Bill of Sale is not intended to confer any rights or remedies upon any person other than the parties hereto.

Section 4. Governing Law. THIS BILL OF SALE SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF ILLINOIS WITHOUT GIVING EFFECT TO RULES GOVERNING THE CONFLICT OF LAWS.

IN WITNESS WHEREOF, the undersigned hereby execute this Bill of Sale as of the day and year first above written.

SELLER:

HILCO INDUSTRIAL, LLC, a Delaware limited liability company

By: _____
Name: _____
Its: _____

EXHIBIT A

Transferred Machinery & Equipment Assets

2001 Kampf 69" x .002"-.015" x 2600-FPM Aluminum Slitting Line, with Scissors Cut Slitting System, Edge Trimming, Unwind w/ Stepped Expanding Heads, Rewind Reels w/ Pusher Plates, Elongation Unit, Siemens Programming Unit, Unwind Side Coil Car w/ Saddle, (2) Rewind Side Finish Roll Transport Carts, Maintenance Platform and More
SPECIFICATIONS: Material Processed: Alum. Alloys 1145, 1100, 3003, 7072 & 8111, Temper: 0 Thru H19, Strip Thickness Range: 0.002" - 0.015", Entry Speed Width Range: 25" - 69", Line Speed Max: 2600 FPM Depending on Material Type, Thickness, Spool, Core, Slitting Width
UNWIND REELS Coil O.D.: 24" - 90", Spool Size I.D. / O.D. / Length: 23.75" x 26" x 72"; 12.812" x 16" x 66"; 12" x 16" x 27.5", Unwind & Coil Stands to be designed to take up future spool length of 76"
REWIND REELS Slitting Width Range: 0.6" - 46", Maximum 40 Cuts Plus Edge Trim, Reels Diameter O.D.: 18" - 72" Depending on Material Type, Thickness, Spool, Core, Cutting Width, Spool / Core I.D.: 6", 10", 12", 16" Fiber Cores, Slitting System: Scissors Cut, Edge Trim Min / Max: 0.5" - 2" per Side, Slit Width Tolerance: +/- .0039", Jogging Speed (Approx): 393.7 IPM, Acceleration / Deceleration: VO - V Max. in approx. 80s, Instantaneous Stop: V Max - V0 in approx 40s, Emergency Stop: V Max - V0 in approx 10s, Winding Tension / Unwind: Max 12.65 N, Winding Tension / Rewind 1: 318 - 6328 N / 25% Taper Tension at OD, Winding Tension / Rewind 2: 318 - 8438 N / 25% Taper Tension at OD Elongation Unit Capability: 1.5 - 3% with a target of 2%, Machine Design: Drive Side on Right As Seen in Running Direction, Voltage: 480V + 10-20% AC, 3 Phase, 60 Hz, Control Voltage: 24V, Total Supply Value: 700 KVA, Air Continuous Pressure: +/- 77 PSI, Consumption Approx: 14.9 SCFM Water Flow: 53 cu. ft. / hour
EQUIPPED WITH:
MAIN MACHINE Drive Side on the Right, Unwind with Stepped Expanding Heads, Stretch Stand, Two Slitting Cassettes, Pusher Plates on Rewinds, Drives, Motors and SPS from Siemens
SIEMENS PROGRAMMING UNIT W/ MODEM AND PROGRAMS
WINDING SHAFTS 2 Rewind Shafts 6", 2 Rewind Shafts 10", 2 Rewind Shafts 12", 2 Rewind Shafts 16"
HANDLING FOR UNWIND SIDE INCL. Coil Car with Fixed Saddle, Core Roller Table w/ Core Deposit, Two Coil Deposit Stand Non-Driven (Spools 66", 72", 76"), Empty Spool Roller Table w/ Spool Deposit
HANDLING FOR REWIND SIDE INCL. 2 Finish Roll Transport Carts
EDGE TRIM, CHOPPER & TRANSPORT & AIR SEPARATOR, DIVERTER GATE, VACUUM HOSE, MAINT PLATFORM

Appendix 4

Wiring Instructions

Bank: US Bank
800 Nicollet Mall
Minneapolis, MN 55402

ABA#: 071 904 779

SWIFT: USBKUS44IMT

Account #: 157655495792

Account Name: Hilco Industrial LLC Trust Account

Reference: Auction Name and Buyer Name