

**ORIGINAL**

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

In re:	)	
	)	Chapter 11
	)	
THE ROCKPORT COMPANY, LLC, <i>et al.</i> ,	)	Case No. 18-11145 (LSS)
	)	
Debtors. <sup>1</sup>	)	Jointly Administered
	)	
	)	<b>Re: Docket No. 24</b>

**ORDER (A) APPROVING BIDDING PROCEDURES FOR SALE OF SUBSTANTIALLY ALL OF THE DEBTORS' ASSETS, (B) APPROVING STALKING HORSE PROTECTIONS, (C) SCHEDULING AUCTION FOR, AND HEARING TO APPROVE, SALE OF SUBSTANTIALLY ALL OF THE DEBTORS' ASSETS, (D) APPROVING FORM AND MANNER OF NOTICES OF SALE, AUCTION AND SALE HEARING, (E) APPROVING ASSUMPTION AND ASSIGNMENT PROCEDURES AND (F) GRANTING RELATED RELIEF**

Upon the motion (the "**Motion**")<sup>2</sup> of the above-captioned debtors (collectively, the "**Debtors**"), for entry of an order (this "**Order**"), pursuant to Sections 105, 363, 365, 503 and 507 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004 and 6006, and Local Rule 6004-1, (i) approving the bidding procedures (the "**Bidding Procedures**"), attached hereto as Exhibit 1, pursuant to which the Debtors will solicit and select the highest and otherwise best offer for the sale (the "**Sale**") of all or substantially all or a portion of the Assets; (ii) approving the Break-Up Fee and Expense Reimbursement (together, the "**Stalking Horse Protections**") provided by the Debtors to the Stalking Horse Bidder; (iii) scheduling an auction (the "**Auction**"); (iv) establishing procedures for the assumption and assignment of executory contracts and

<sup>1</sup> The debtors and debtors in possession in these cases and the last four digits of their respective Employer Identification Numbers are: Rockport Blocker, LLC (5097), The Rockport Group Holdings, LLC (3025), TRG 1-P Holdings, LLC (4756), TRG Intermediate Holdings, LLC (8931), TRG Class D, LLC (4757), The Rockport Group, LLC (5559), The Rockport Company, LLC (5456), Drydock Footwear, LLC (7708), DD Management Services LLC (8274), and Rockport Canada ULC (3548). The debtors' mailing address is 1220 Washington Street, West Newton, Massachusetts 02465.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Motion.

unexpired leases in connection with the Sale, including notice of proposed Cure Costs (the “**Assumption and Assignment Procedures**”); (v) scheduling a hearing (the “**Sale Hearing**”) to approve the Sale; and (vi) granting related relief, all as more fully described in the Motion; and the Court having reviewed and considered the Motion; and the Court having held a hearing on the Motion (the “**Bidding Procedures Hearing**”); and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor,

**IT IS FOUND AND DETERMINED THAT:**

A. The findings and conclusions set forth herein constitute the Court’s findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent that any of the following findings of fact constitute conclusions of law, and to the extent that any of the following conclusions of law constitute findings of fact, they are adopted as such.

B. This Court has jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012. This is a core proceeding under 28 U.S.C. § 157(b). Venue of the Debtors’ chapter 11 cases and the Motion in this district is proper under 28 U.S.C. §§ 1408 and 1409.

C. The Debtors’ notice of the Motion, the Bidding Procedures, the Bidding Procedures Hearing and the proposed entry of this Order was (i) appropriate and reasonably calculated to provide all interested parties with timely and proper notice, (ii) in compliance with all applicable requirements of the Bankruptcy Code, the Bankruptcy Rules and the Local Rules and (iii) adequate and sufficient under the circumstances of these Chapter 11 Cases, and no other or further notice is required. A reasonable opportunity to object or be heard regarding the relief requested in the Motion (including, without limitation, with respect to the Bidding Procedures

and payment of the Stalking Horse Protections) has been afforded to all interested persons and entities, including, but not limited to, the Notice Parties.

D. The Bidding Procedures in the form attached hereto as Exhibit 1 are fair, reasonable and appropriate and are designed to maximize creditor recoveries from a sale of the Assets.

E. The Bidding Procedures and the Stalking Horse Agreement were each negotiated in good faith and at arm's-length among the Debtors and the Stalking Horse Bidder. The Stalking Horse Agreement represents the highest or otherwise best offer that the Debtors have received to date for the Assets. The process for selecting the Stalking Horse Bidder was fair and appropriate under the circumstances and in the best interests of the Debtors' estates.

F. The Debtors and the Stalking Horse Bidder have agreed to amend (the "**Second Amendment**") the Stalking Horse Agreement in order to resolve the Committee's limited objection [Docket No. 130] to the Motion. The Second Amendment, among other things, modifies Sections 4.4(i) and 4.6(a) of the Stalking Horse Agreement to address the Committee's objection to the Stalking Horse Protections. The amended versions of Sections 4.4(i) and 4.6(a) of the Stalking Horse Agreement are attached hereto as Exhibit 4 and incorporated herein by reference.

G. The Debtors have demonstrated a compelling and sound business justification for the Bankruptcy Court to enter this Order and, thereby: (i) approve the Bidding Procedures as contemplated by the Stalking Horse Agreement (as modified by the Second Amendment) and the Motion; (ii) authorize the Break-Up Fee and Expense Reimbursement, under the terms and conditions set forth in the Stalking Horse Agreement and the Bidding Procedures; (iii) set the dates of the Bid Deadline, Auction (if needed), Sale Hearing and other deadlines set forth in the

Motion and the Bidding Procedures; (iv) approve the Noticing Procedures and the forms of notice; and (v) approve the Assumption and Assignment Procedures, as modified herein, and the forms of relevant notice. Such compelling and sound business justification, as set forth in the Motion and on the record at the Bidding Procedures Hearing, if any, are incorporated herein by reference and, among other things, form the basis for the findings of fact and conclusions of law set forth herein.

H. The Stalking Horse Protections, as approved by this Order, are fair and reasonable and provide a benefit to the Debtors' estates and stakeholders.

I. If triggered in accordance with the terms of the Stalking Horse Agreement, the payment of the Stalking Horse Protections, under this Order and upon the conditions set forth in the Stalking Horse Agreement (as modified by the Second Amendment) and the Bidding Procedures, is (i) an actual and necessary cost of preserving the value of the Debtors' estates, within the meaning of Sections 503(b) and 507(a) of the Bankruptcy Code, (ii) reasonably tailored to encourage, rather than hamper, bidding for the Assets, by providing a baseline of value, increasing the likelihood of competitive bidding at the Auction, and facilitating participation of other bidders in the sale process, thereby increasing the likelihood that the Debtors will receive the best possible price and terms for the Assets, (iii) of substantial benefit to the Debtors' estates and stakeholders and all parties in interest herein, (iv) reasonable and appropriate, (v) a material inducement for, and condition necessary to, ensure that the Stalking Horse Bidder will continue to pursue its proposed agreement to purchase the Purchased Assets and (vi) reasonable in relation to the Stalking Horse Bidder's efforts and to the magnitude of the Sale and the Stalking Horse Bidder's lost opportunities resulting from the time spent pursuing such transaction.

J. The legal and factual bases set forth in the Motion establish just cause for the relief granted herein. Entry of this Order is in the best interests of the Debtors and their estates, creditors, interest holders and all other parties in interest.

K. The form and manner of notice to be delivered pursuant to the Noticing Procedures and the Assumption and Assignment Procedures (including the Sale Notice attached hereto as Exhibit 2 and the Potential Assumption and Assignment Notice attached hereto as Exhibit 3) are reasonably calculated to provide each Counterparty to the Contracts and Leases with proper notice of the potential assumption and assignment of such Contracts and Leases by the Successful Bidder(s) or any of their known proposed assignees (if different from the Successful Bidder) and the requirement that each such Counterparty assert any objection to the proposed Cure Cost or otherwise be barred from asserting claims arising out of or related to the Contract or Lease following the assumption and assignment thereof.

**IT IS HEREBY ORDERED THAT:**

1. The Motion is granted as set forth herein.
2. Any objections to the Motion or the relief requested therein that have not been adjourned, withdrawn or resolved are overruled in all respects on the merits.
3. The Bidding Procedures, in substantially the form attached hereto as Exhibit 1, are approved and fully incorporated into this Order and the Debtors are authorized, but not directed, to act in accordance therewith. The failure to specifically include a reference to any particular provision of the Bidding Procedures in this Order shall not diminish or impair the effectiveness of such provision.
4. The Debtors may proceed with the Sale in accordance with the Bidding Procedures and are authorized to take any and all actions necessary or appropriate to implement the Bidding Procedures (subject to the terms thereof) in accordance with the following timeline:

<b>June 28, 2018 at 4:00 p.m. (prevailing Eastern Time)</b>	Sale Objection Deadline
<b>June 29, 2018 at 5:00 p.m. (prevailing Eastern Time)</b>	Bid Deadline
<b>July 3, 2018 at 5:00 p.m. (prevailing Eastern Time)</b>	Deadline for Debtors to notify Potential Bidders of their status as Qualified Bidders
<b>July 10, 2018 at 10:00 a.m. (prevailing Eastern Time)</b>	Auction to be held at the offices of Richard, Layton & Finger, P.A. (if necessary)
<b>July 11, 2018</b>	Target date for the Debtors to file with the Court the Notice of Auction Results
<b>July 16, 2018</b>	Proposed date of the Sale Hearing to consider approval of Sale and entry of Sale Order
<b>On or after July 27, 2018</b>	Closing Date (Unless Successful Bidder agrees to waive the 14-day stay of Sale Order)

5. Subject to final Court approval at the Sale Hearing, the Debtors are authorized to enter into the Stalking Horse Agreement with the Stalking Horse Bidder.

6. Bid Deadline. As further described in the Bidding Procedures, the Bid Deadline shall be at **5:00 p.m. (prevailing Eastern Time) on June 29, 2018**. The Bid Deadline may be extended by the Debtors in consultation with the Consultation Parties to the extent such extension is not inconsistent with the Stalking Horse Agreement and the sale milestones set forth therein. The Debtors shall notify Potential Bidders of their status as Qualified Bidders no later than **5:00 p.m. (prevailing Eastern Time) on July 3, 2018**. In addition, at least one (1) Business Day prior to the Auction, the Debtors will provide all Qualified Bidders (including the Stalking Horse Bidder) copies of each Qualified Bid made for the Assets and identify to them the Qualified Bid that the Debtors, in consultation with the Consultation Parties, believe is the highest or otherwise best offer for the Assets.

7. Auction. In the event the Debtors receive, on or before the Bid Deadline, one or more Qualified Bids in addition to the Stalking Horse Bid, an Auction shall be conducted at the office of Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, Delaware 19801 at **10:00 a.m. (prevailing Eastern Time) on July 10, 2018**, or

such other date, time or location as the Debtors shall notify all Qualified Bidders (including the Stalking Horse Bidder). The Debtors are authorized to conduct the Auction in accordance with the Bidding Procedures.

8. In no event shall Secured Noteholders (or any assignees, transferees or purchasers of the secured Indebtedness (as defined in the Stalking Horse Agreement) held by any Secured Noteholder) be permitted to credit bid for the Purchased Assets as all or part of any competing bid for the Purchased Assets at any Auction at which the Stalking Horse Bidder is bidding pursuant to the terms of the Stalking Horse Agreement.

9. If no Qualified Bids with respect to the Assets other than the Stalking Horse Bid are received on or before the Bid Deadline, the Debtors shall not conduct the Auction with respect to the Assets, and instead shall seek approval of the sale of the Purchased Assets pursuant to the Stalking Horse Agreement at the Sale Hearing. In such event, the Debtors shall file a notice indicating the cancellation of the Auction as soon as practicable and, in any event, prior to July 10, 2018.

10. The form of Sale Notice attached hereto as Exhibit 2 is hereby approved.

11. Within two (2) Business Days after entry of the Bidding Procedures Order, or as soon as reasonably practicable thereafter, the Debtors shall serve the Sale Notice by first-class mail upon: (i) the U.S. Trustee, 844 King Street, Suite 2207, Wilmington, Delaware 19801, Attn: Brya M. Keilson, brya.keilson@usdoj.gov; (ii) proposed counsel to the Committee, (a) Cooley LLP, 1114 Avenue of the Americas, New York, New York 10036 Attn: Jay Indyke, jindyke@cooley.com, and (b) Whiteford, Taylor & Preston LLC, 405 North King Street, Suite 500, Wilmington, Delaware 19801, Attn: Christopher M. Samis, csamis@wtplaw.com; (iii) counsel to the Prepetition Noteholders and DIP Note Purchasers, (a) Debevoise & Plimpton

LLP, 919 Third Avenue, New York, New York 10022, Attn: My Chi To, mcto@debevoise.com, and Daniel E. Stroik, destroik@debevoise.com, and (b) Pachulski Stang Ziehl & Jones LLP, 919 North Market Street, 17<sup>th</sup> Floor, Wilmington, Delaware 19801, Attn: Bradford J. Sandler, bsandler@pszjlaw.com and James E. O'Neill, joneill@pszjlaw.com; (iv) counsel to the Collateral Agent and DIP Notes Agent, (a) Holland & Knight LLP, 131 South Dearborn Street, 30th Floor, Chicago, Illinois 60603, Attn: Joshua Spencer, joshua.spencer@khlaw.com, and (b) Pachulski Stang Ziehl & Jones LLP, 919 North Market Street, 17th Floor, Wilmington, Delaware 19801, Attn: Bradford J. Sandler, bsandler@pszjlaw.com and James E. O'Neil, joneill@pszjlaw.com (v) counsel to the ABL Administrative Agent and ABL DIP Agent, (a) Riemer Braunstein LLP, Three Center Plaza, 6<sup>th</sup> Floor, Boston, Massachusetts, 02108, Attn: Donald E. Rothman, drothman@riemerlaw.com, Lon M. Singer, lsinger@riemerlaw.com, Jaime Rachel Koff, jkoff@riemerlaw.com, and Jeremy Levesque, jlevesque@riemerlaw.com, and (b) Ashby & Geddes, P.A., 500 Delaware Ave., 8<sup>th</sup> Floor, Wilmington, Delaware 19801, Attn: Gregory A. Taylor, GTaylor@ashbygeddes.com; (vi) counsel to the Stalking Horse Bidder, (a) Goodwin Procter LLP, The New York Times Building, 620 Eighth Avenue, New York, New York 10018, Attn: William Weintraub, wwaintraub@goodwinlaw.com, (b) Goodwin Procter LLP, 100 Northern Avenue, Boston, Massachusetts 02210, Attn: Jon Herzog, jherzog@goodwinlaw.com and Joseph F. Bernardi, Jr., jbernardi@goodwinlaw.com, and (c) Pepper Hamilton LLP, Hercules Plaza, Suite 5100, 1313 Market Street, P.O. Box 1709, Wilmington, Delaware 19899, Attn: David Fournier, fournierd@pepperlaw.com and Evelyn Meltzer, meltzere@pepperlaw.com; (vii) the one hundred and ten (110) Interested Parties identified by Houlihan and any other entity known to have expressed an interest in a transaction with respect to the Assets during the past nine (9) months; (viii) all Counterparties to any



Contracts or Leases, whether executory or not; (ix) all parties with Encumbrances on or against any of the Debtors' Assets; (x) all affected federal, state and local governmental regulatory and taxing authorities, including the Internal Revenue Service; (xi) all known holders of claims against and equity interests in the Debtors; (xii) all parties that have filed and not withdrawn requests for notices pursuant to Bankruptcy Rule 2002; (xiii) the Debtors' insurance carriers, and (xiv) to the extent not already included above, all parties in interest listed on the Debtors' creditor matrix (collectively, the "**Sale Notice Parties**"). As soon as practicable thereafter, but in any event no later than seven (7) Business Days after entry of this Order, the Debtors shall publish the Sale Notice, with such modifications as may be appropriate for purposes of publication, once in the National Edition of *USA Today*.

12. Service of the Sale Notice on the Sale Notice Parties in the manner described in this Order constitutes good and sufficient notice of the Auction and the Sale Hearing. No other or further notice is required.

13. Promptly following the Auction, if any, but in any event no later than five (5) business hours after the close of the Auction, the Debtors shall file a notice of the Successful Bid(s) and Back-up Bid(s), if any (the "**Notice of Auction Results**"), with the Court and cause the Notice of Auction Results to be published on the Case Information Website. The Debtors shall serve such Notice of Auction Results by fax, email or (if neither is available) overnight mail to each Counterparty to a Contract or Lease identified on the Contracts List (and their counsel in the event that they have filed a notice of appearance) and to any party in interest who has requested notice of the same in writing and provided a fax number or email address to the proposed counsel to Debtors.

14. Sale Objections. Objections to the Sale Order, the Stalking Horse Bidder, or the Sale with the Stalking Horse Bidder must (a) be in writing, (b) state, with specificity, the legal and factual bases thereof, (c) be filed with the Court by no later than **4:00 p.m. (prevailing Eastern Time) on June 28, 2018** (the “**Sale Objection Deadline**”), and (d) be served on (i) proposed counsel for the Debtors: Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, Delaware 19801, Attn: Mark D. Collins, collins@rlf.com, and Michael J. Merchant, merchant@rlf.com; (ii) counsel to the Prepetition Noteholders and DIP Note Purchasers, (1) Debevoise & Plimpton LLP, 919 Third Avenue, New York, New York 10022, Attn: My Chi To, mcto@debevoise.com, and Daniel E. Stroik, destroik@debevoise.com, and (2) Pachulski Stang Ziehl & Jones LLP, 919 North Market Street, 17<sup>th</sup> Floor, Wilmington, Delaware 19801, Attn: Bradford J. Sandler, bsandler@pszjlaw.com and James E. O’Neill, joneill@pszjlaw.com; (iii) counsel to the Collateral Agent and DIP Notes Agent, (a) Holland & Knight LLP, 131 South Dearborn Street, 30th Floor, Chicago, Illinois 60603, Attn: Joshua Spencer, joshua.spencer@khlaw.com, and (b) Pachulski Stang Ziehl & Jones LLP, 919 North Market Street, 17th Floor, Wilmington, Delaware 19801, Attn: Bradford J. Sandler, bsandler@pszjlaw.com and James E. O’Neil, joneill@pszjlaw.com, (iv) counsel to the ABL Administrative Agent and ABL DIP Agent, (1) Riemer Braunstein LLP, Three Center Plaza, 6<sup>th</sup> Floor, Boston, Massachusetts, 02108, Attn: Donald E. Rothman, drothman@riemerlaw.com, Lon M. Singer, lsinger@riemerlaw.com, Jaime Rachel Koff, jkoff@riemerlaw.com, and Jeremy Levesque, jlevesque@riemerlaw.com, and (2) Ashby & Geddes, P.A., 500 Delaware Ave., 8<sup>th</sup> Floor, Wilmington, Delaware 19801, Attn: Gregory A. Taylor, GTaylor@ashbygeddes.com; (v) counsel to the Stalking Horse Bidder, (1) Goodwin Procter LLP, The New York Times Building, 620 Eighth Avenue, New York, New York 10018, Attn: William Weintraub,

wweintraub@goodwinlaw.com, (2) Goodwin Procter LLP, 100 Northern Avenue, Boston, Massachusetts 02210, Attn: Jon Herzog, jherzog@goodwinlaw.com and Joseph F. Bernardi, Jr., jbernardi@goodwinlaw.com, and (3) Pepper Hamilton LLP, Hercules Plaza, Suite 5100, 1313 Market Street, P.O. Box 1709, Wilmington, Delaware 19899, Attn: David Fournier, fournierd@pepperlaw.com and Evelyn Meltzer, meltzere@pepperlaw.com; (vi) proposed counsel to the Committee, (1) Cooley LLP, 1114 Avenue of the Americas, New York, New York 10036 Attn: Jay Indyke, jindyke@cooley.com, and (2) Whiteford, Taylor & Preston LLC, 405 North King Street, Suite 500, Wilmington, Delaware 19801, Attn: Christopher M. Samis, csamis@wtplaw.com, and (vii) the U.S. Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware, 19801, Attn: Brya M. Keilson, brya.keilson@usdoj.gov (the “**Objection Notice Parties**”).

15. Post-Auction Objections. Objections to the conduct of the Auction, the Successful Bidder (other than the Stalking Horse Bidder), or the Sale with the Successful Bidder (other than the Stalking Horse Bidder) may be made at the Sale Hearing.

16. Sale Hearing. The Sale Hearing shall be held in the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 6th Floor, Courtroom 2, Wilmington, Delaware 19801, on **July 16, 2018 at 10:00 a.m. (prevailing Eastern Time)** or such other date and time that the Court may later direct; *provided, however*, that 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 or on the Court’s docket.

17. Stalking Horse Protections. Pursuant to Sections 105, 363, 364, 503 and 507 of the Bankruptcy Code, the Debtors are hereby authorized and directed, subject to the satisfaction of the Stalking Horse Protections’ Conditions (as defined below), to pay the Break-Up Fee and

Expense Reimbursement (each as defined in the Motion) to the Stalking Horse Bidder in accordance with the terms of the Stalking Horse Agreement (as modified by the Second Amendment) without further order of this Court. The Break-Up Fee and Expense Reimbursement shall only be payable if the conditions to payment of such amounts set forth in the Stalking Horse Agreement (as modified by the Second Amendment), including Section 8.1 thereof, have been satisfied (collectively, the “**Stalking Horse Protections’ Conditions**”). In the event the Expense Reimbursement is payable to the Stalking Horse Bidder, the Stalking Horse Bidder shall provide documentation of the expenses for which it seeks reimbursement to (a) counsel for the Debtors, (b) counsel to the Consultation Parties and (c) the U.S. Trustee. If the Debtors, the Consultation Parties, or the U.S. Trustee objects for any reason to payment of all or any portion of the Expense Reimbursement, such party must file and serve an objection so as to be received by counsel to the Debtors, the Consultation Parties, the Stalking Horse Bidder and the U.S. Trustee, as applicable, no later than ten (10) days after submission of the documentation of the expenses. The disputed portion of the Expense Reimbursement shall not be paid by the Debtors until it is consensually resolved by the parties, or in the event the parties are unable to reach a consensual resolution, the Court shall determine the disputed portion of the Expense Reimbursement. The obligations of Debtors to pay the Stalking Horse Protections (i) shall be entitled to administrative expense claim status under Sections 503(b)(1)(A) and 507(a)(2) of the Bankruptcy Code, (ii) shall not be subordinate to any other administrative expense claim against the Debtors, other than a superpriority administrative expense claim under Sections 364(c)(1) of the Bankruptcy Code granted pursuant to any financing order entered in these Chapter 11 Cases, (iii) shall survive the termination of the Stalking Horse Agreement, and (iv) shall be paid when and as provided in the Stalking Horse Agreement (as modified by the Second Amendment). The

Stalking Horse Bidder is required to serve as the Back-Up Bidder <sup>f</sup> if so selected by the Debtors in accordance with the Bid Procedures until the earlier to occur of (i) thirty (30) days after the Auction and (ii) closing on the Successful Bid with the Successful Bidder.

18. The Stalking Horse Bidder is deemed a Qualified Bidder for all purposes, and the Stalking Horse Bid as set forth in the Stalking Horse Agreement is deemed a Qualified Bid.

19. Assumption and Assignment Procedures. The Assumption and Assignment Procedures set forth in the Motion and herein are hereby approved.

20. As soon as reasonably practicable, but in no event later than three (3) Business Days after the Bid Procedures Hearing, the Debtors shall file with the Bankruptcy Court, and cause to be published on the Case Information Website, the Potential Assumption and Assignment Notice and the Contracts List that specifies (i) each of the Contracts and Leases that may be assumed and assigned in connection with the Sale, including the name of each Counterparty and (ii) the proposed Cure Cost with respect to each Contract and Lease. The Potential Assumption and Assignment Notice and Contracts List shall also be served on each Counterparty listed on the Contracts List (and their counsel in the event that they have filed a notice of appearance) via first class mail.

21. Objection Deadlines. Any Counterparty may object to the proposed assumption or assignment of its Contract or Lease, the Debtors' proposed Cure Costs, if any, or the ability of the Stalking Horse Bidder to provide adequate assurance of future performance (an "**Assumption and Assignment Objection**"). All Assumption and Assignment Objections (other than to the ability of a Successful Bidder other than the Stalking Horse Bidder to provide adequate assurance of further performance) must (A) be in writing, (B) comply with the Bankruptcy Code, Bankruptcy Rules and Local Rules, (C) state, with specificity, the legal and

factual bases thereof, including, if applicable, the Cure Costs the Counterparty believes are required to cure defaults under the relevant Contract or Lease, (D) be filed by no later than **June 28, 2018 at 4:00 p.m. (prevailing Eastern Time)** and (E) be served on (i) proposed counsel for the Debtors: Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, Delaware 19801, Attn: Mark D. Collins, [collins@rlf.com](mailto:collins@rlf.com), and Michael J. Merchant, [merchant@rlf.com](mailto:merchant@rlf.com), (ii) counsel to the Prepetition Noteholders and DIP Note Purchasers, (a) Debevoise & Plimpton LLP, 919 Third Avenue, New York, New York 10022, Attn: My Chi To, [mcto@debevoise.com](mailto:mcto@debevoise.com), and Daniel E. Stroik, [destroik@debevoise.com](mailto:destroik@debevoise.com), and (b) Pachulski Stang Ziehl & Jones LLP, 919 North Market Street, 17<sup>th</sup> Floor, Wilmington, Delaware 19801, Attn: Bradford J. Sandler, [bsandler@pszjlaw.com](mailto:bsandler@pszjlaw.com) and James E. O'Neill, [joneill@pszjlaw.com](mailto:joneill@pszjlaw.com); (iii) counsel to the Collateral Agent and DIP Notes Agent, (a) Holland & Knight LLP, 131 South Dearborn Street, 30<sup>th</sup> Floor, Chicago, Illinois 60603, Attn: Joshua Spencer, [joshua.spencer@khlaw.com](mailto:joshua.spencer@khlaw.com), and (b) Pachulski Stang Ziehl & Jones LLP, 919 North Market Street, 17<sup>th</sup> Floor, Wilmington, Delaware 19801, Attn: Bradford J. Sandler, [bsandler@pszjlaw.com](mailto:bsandler@pszjlaw.com) and James E. O'Neil, [joneill@pszjlaw.com](mailto:joneill@pszjlaw.com), (iv) counsel to the ABL Administrative Agent and ABL DIP Agent (a) Riemer Braunstein LLP, Three Center Plaza, 6<sup>th</sup> Floor, Boston, Massachusetts, 02108, Attn: Donald E. Rothman, [drothman@riemerlaw.com](mailto:drothman@riemerlaw.com), Lon M. Singer, [lsinger@riemerlaw.com](mailto:lsinger@riemerlaw.com), Jaime Rachel Koff, [jkoff@riemerlaw.com](mailto:jkoff@riemerlaw.com), and Jeremy Levesque, [jlevesque@riemerlaw.com](mailto:jlevesque@riemerlaw.com), and (b) Ashby & Geddes, P.A., 500 Delaware Ave., 8<sup>th</sup> Floor, Wilmington, Delaware 19801, Attn: Gregory A. Taylor, [GTaylor@ashbygeddes.com](mailto:GTaylor@ashbygeddes.com); (v) counsel to the Stalking Horse Bidder, (a) Goodwin Procter LLP, The New York Times Building, 620 Eighth Avenue, New York, New York 10018, Attn: William Weintraub, [wweintraub@goodwinlaw.com](mailto:wweintraub@goodwinlaw.com), (b) Goodwin Procter LLP, 100 Northern Avenue, Boston,

Massachusetts 02210, Attn: Jon Herzog, jherzog@goodwinlaw.com and Joseph F. Bernardi, Jr., jbernardi@goodwinlaw.com, and (c) Pepper Hamilton LLP, Hercules Plaza, Suite 5100, 1313 Market Street, P.O. Box 1709, Wilmington, Delaware 19899, Attn: David Fournier, fournierd@pepperlaw.com and Evelyn Meltzer, meltzere@pepperlaw.com; (vi) proposed counsel to the Committee, (a) Cooley LLP, 1114 Avenue of the Americas, New York, New York 10036 Attn: Jay Indyke, jindyke@cooley.com, and (b) Whiteford, Taylor & Preston LLC, 405 North King Street, Suite 500, Wilmington, Delaware 19801, Attn: Christopher M. Samis, csamis@wtplaw.com, and (vii) the U.S. Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware, 19801, Attn: Brya M. Keilson, brya.keilson@usdoj.gov (collectively, the **“Assumption and Assignment Objection Notice Parties”**); provided, however, that notwithstanding anything in this Order to the contrary, GGP Limited Partnership, Starwood Retail Partners, LLC and the Macerich Company (collectively, the **“Landlord Group”**), shall have up until the Sale Hearing to file any Assumption and Assignment Objection or objection to the Sale Order relating to the proposed assumption and assignment of their respective Leases.

22. Resolution of Assumption and Assignment Objections. If a Counterparty files a timely Assumption and Assignment Objection, such objection shall be heard at the Sale Hearing or such later date that the Debtors and the Successful Bidder shall determine in their discretion and upon notice to the objecting Counterparty (subject to the Court’s calendar); provided, however, that any timely filed Assumption and Assignment Objection by the Landlord Group shall be heard on such later date as is mutually agreed upon by the Debtors, the Successful Bidder and the respective landlord having filed such Assumption and Assignment Objection or as otherwise set by the Court.

23. Failure to File Timely Assumption and Assignment Objection. If a Counterparty fails to file with the Court and serve on the Assumption and Assignment Objection Notice Parties a timely Assumption and Assignment Objection, the Counterparty shall be forever barred from asserting any such objection with regard to the assumption or assignment of its Contract or Lease, and notwithstanding anything to the contrary in the Contract or Lease, or any other document, the Cure Costs set forth in the Potential Assumption and Assignment Notice or the Supplemental Assumption and Assignment Notice (as defined below) shall be controlling and will be the only amount necessary to cure outstanding defaults under the applicable Contract or Lease under Section 365(b) of the Bankruptcy Code arising out of or related to the Contract or Lease following the assumption and assignment thereof, whether known or unknown, due or to become due, accrued, absolute, contingent or otherwise, and the Counterparty shall be forever barred from asserting any additional cure or other pre-assignment amounts with respect to such Contract or Lease against the Debtors, the Successful Bidder or the property of any of them; provided, however, that a Counterparty to a Purchased Contract or Lease shall not be barred from seeking additional amounts on account of any defaults occurring between the service of the Potential Assumption and Assignment Notice and the assumption of the Purchased Contract or Lease.

24. Unless otherwise provided in the Successful Bidder's Asset Purchase Agreement, at any time until two (2) days prior to the Closing Date, the Successful Bidder may elect to amend the Purchased Contracts Schedule attached to the Asset Purchase Agreement; provided that any amendment that results in a Contract or Lease being added to the Contracts List or in a previously-stated Cure Cost being modified shall be subject to the supplemental notice requirements set forth in Paragraphs 25 and 26 below. Any Contract or Lease that remains on



the Purchased Contracts Schedule as of the Closing Date, and that is not a Disputed Contract (as defined below), shall be assumed by the Debtors and assigned to the Successful Bidder as part of the Sale. The assumption and assignment of Disputed Contracts shall be treated in accordance with paragraph 27 of this Order. All Contracts and Leases that are not on the Purchased Contracts Schedule shall be deemed “Excluded Contracts” under the Asset Purchase Agreement. Notwithstanding anything in this Order to the contrary, in the event that the Debtors fail to close a transaction with the Successful Bidder, the Debtors’ ability to assume and assign the Contracts and Leases to the Back-Up Bidder shall be subject to further notice and a hearing.

25. In the event that any Contract or Lease is added to the Contracts List or previously-stated Cure Costs are modified, in accordance with the Asset Purchase Agreement or the Assumption and Assignment Procedures set forth in this Order, the Debtors will reasonably promptly serve a supplemental assumption and assignment notice, by overnight mail and, if known, e-mail, on the applicable Counterparty (each, a “**Supplemental Assumption and Assignment Notice**”). Each Supplemental Assumption and Assignment Notice will include the same information with respect to the applicable Contract or Lease as is required to be included in the Potential Assumption and Assignment Notice.

26. Any Counterparty listed on a Supplemental Assumption and Assignment Notice whose Contract or Lease is proposed to be assumed and assigned may object to the proposed assumption or assignment of its Contract or Lease, the Debtors’ proposed Cure Costs, if any, or the ability of the Successful Bidder to provide adequate assurance of future performance (a “**Supplemental Assumption and Assignment Objection**”). All Supplemental Assumption and Assignment Objections must (A) be in writing, (B) comply with the Bankruptcy Code, Bankruptcy Rules and Local Rules, (C) state, with specificity, the legal and factual bases thereof,

including, if applicable, the Cure Costs the Counterparty believes is required to cure defaults under the relevant Contract or Lease, (D) be filed by no later than **ten (10) calendar days from the date of service of such Supplemental Assumption and Assignment Notice** and (E) be served on the Assumption and Assignment Objection Notice Parties. Each Supplemental Assumption and Assignment Objection, if any, shall be resolved in the same manner as an Assumption and Assignment Objection.

27. Upon objection by the non-debtor Contract counterparty to the Cure Costs asserted by the Debtors with regard to any Contract (such contract, a **“Disputed Contract”**), the Debtors, with the consent of the Successful Bidder, shall either settle the objection of such party or shall litigate such objection under such procedures as the Bankruptcy Court shall approve and proscribe. In no event shall any the Debtors settle a Cure Costs objection with regard to any Purchased Contract without the express written consent of the Successful Bidder (with an email consent being sufficient). In the event that a dispute regarding the Cure Costs with respect to a Contract has not been resolved as of the Closing Date, the Debtors and the Successful Bidder shall nonetheless remain obligated to consummate the Transactions. Upon entry of an Order determining any Cure Costs regarding any Disputed Contract after the Closing (the **“Disputed Contract Order”**), the Successful Bidder shall have the option to designate the Disputed Contract as an Excluded Contract, in which case, for the avoidance of doubt, Successful Bidder shall not assume the Disputed Contract and shall not be responsible for the associated Cure Costs with such Disputed Contract; provided, however, that if Successful Bidder does not designate such Disputed Contract as an Excluded Contract within fifteen (15) days after the date of the Disputed Contract Order, such Disputed Contract shall automatically be deemed to be a Purchased Contract for all purposes under the Successful Bidder’s Asset Purchase Agreement.

Any Cure Costs associated with any Purchased Contract or any Disputed Contract which becomes a Purchased Contract shall be paid in accordance with the terms of the Successful Bidder's Asset Purchase Agreement.

28. Except as otherwise provided herein, objections of any Counterparty to a Contract or Lease identified in the Contracts List related solely to the identity of and adequate assurance of future performance provided by the Successful Bidder (other than the Stalking Horse Bidder) may be made at the Sale Hearing; provided, however, that this provision shall not apply to the Landlord Group, as the Landlord Group has agreed that any Assumption and Assignment Objection, whether relating to the proposed assumption and assignment of their respective Leases, the Debtors' proposed Cure Costs, if any, or the ability of the Successful Bidder to provide adequate assurance of future performance, will be filed in advance of the Sale Hearing.

29. This Order shall be binding on the Debtors, including any Chapter 7 or Chapter 11 trustee or other fiduciary appointed for the estates of the Debtors.

30. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

31. To the extent any provisions of this Order are inconsistent with the Motion, the terms of this Order shall control. To the extent any provisions of this Order are inconsistent with the Bidding Procedures, the terms of this Order shall control.

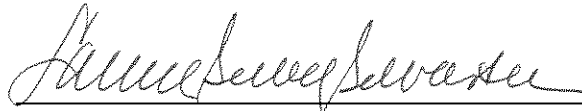
32. Notwithstanding any Bankruptcy Rule (including, but not limited to, Bankruptcy Rule 6004(h), 6006(d), 7062 or 9014) or Local Rule that might otherwise delay the effectiveness of this Order, the terms and conditions of this Order shall, to the extent applicable, be effective and enforceable immediately upon entry hereof.

33. The Debtors are hereby authorized to take such actions and to execute such documents as may be necessary to implement the relief granted by this Order.

34. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation and/or interpretation of this Order.

Dated: June 5, 2018

Wilmington, Delaware



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THE HONORABLE LAURIE SELBER SILVERSTEIN  
UNITED STATES BANKRUPTCY JUDGE

**Exhibit 1**

**Bidding Procedures**

## **BIDDING PROCEDURES**

Set forth below are the bidding procedures (the “**Bidding Procedures**”) to be employed in connection with the proposed sale of all or substantially all of the assets (collectively, the “**Assets**”) owned by Rockport Blocker, LLC (the “**Company**”) and the direct or indirect wholly owned subsidiaries of the Company listed on Annex A to the Stalking Horse Agreement (as defined herein) (the “**Seller Subsidiaries**”) and, together with the Company, each a “**Seller**” and collectively, “**Sellers**”), in connection with the jointly administered Chapter 11 Cases of The Rockport Company, LLC (“**Rockport**”) and certain of its affiliates that are debtors and debtors in possession (collectively, the “**Debtors**”) pending in the United States Bankruptcy Court for the District of Delaware (the “**Bankruptcy Court**”), lead case number 18-11145 (LSS).

The Sellers entered into that certain asset purchase agreement, dated May 13, 2018, with CB Marathon Opco, LLC (the “**Stalking Horse Bidder**”), pursuant to which the Stalking Horse Bidder will acquire the Purchased Assets (as defined in the Stalking Horse Agreement) on the terms and conditions specified therein (together with the schedules and any and all amendments and related documents thereto, the “**Stalking Horse Agreement**,” a copy of which is attached to the Motion as Exhibit B). The sale transaction pursuant to the Stalking Horse Agreement is subject to competitive bidding as set forth herein.

By the motion (the “**Motion**”),<sup>1</sup> dated May 14, 2018, the Debtors sought, among other things, approval of the Bidding Procedures for soliciting bids for, conducting an auction (the “**Auction**”), and consummating a sale, of all or substantially all of the Assets (the “**Sale**”).

### **ASSETS TO BE SOLD**

The Debtors seek to consummate the Sale pursuant to the terms of the Stalking Horse Agreement. The sale of the Assets is on an “as is, where is” and “with all faults” basis and without representations, warranties or guarantees, express, implied or statutory, written or oral, of any kind, nature or description, by any Seller, its affiliates or their respective representatives, except to the extent set forth in the Stalking Horse Agreement or the purchase agreement of such other Successful Bidder (as defined below) and as approved by the Bankruptcy Court. Except as otherwise provided in such approved purchase agreement, all of the Sellers’ right, title and interest in and to each Asset to be acquired shall be sold free and clear of all liens, claims, interests and encumbrances (other than permitted liens), with such liens, claims, interests and encumbrances to attach to the proceeds of the Sale.

### **THE BIDDING PROCEDURES**

In order to ensure that the Debtors receive the maximum value for the Assets, the Stalking Horse Agreement is subject to higher or better offers, and, as such, the Stalking Horse Agreement will serve as the “stalking-horse” bid for the Assets.

#### **Provisions Governing Qualifications of Bidders**

Unless otherwise ordered by the Bankruptcy Court, in order to participate in the bidding process, prior to the Bid Deadline (as defined below), each person other than the Stalking Horse Bidder, who wishes to participate in the bidding process (a “**Potential Bidder**”) must deliver the following to the Notice Parties (as defined below):

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<sup>1</sup> Capitalized terms used but not otherwise defined herein have the meaning ascribed to them in the Motion, the Stalking Horse Agreement or the order approving the Motion (the “**Bidding Procedures Order**”), as applicable.

(i) a written disclosure of the identity of each entity that will be bidding for the Assets or otherwise participating in connection with such bid; and

(ii) an executed confidentiality agreement (to be delivered prior to the distribution of any confidential information by the Sellers to a Potential Bidder) in form and substance satisfactory to the Debtors and in the form substantially similar as any confidentiality agreement executed by the Stalking Horse Bidder (without limiting the foregoing, each confidentiality agreement executed by a Potential Bidder shall contain standard non-solicitation provisions).

A Potential Bidder that delivers the documents and information described above or that the Debtors determine, in consultation with Citizens Business Capital (“**Citizens**”), in its capacity as DIP ABL Agent (as defined in the Interim DIP Order), the Prepetition Noteholders and the DIP Note Purchasers (as defined in the Interim DIP Order), and the official committee of unsecured creditors, if any, appointed in these chapter 11 cases (the “**Committee**”, and together with the DIP ABL Agent, the Prepetition Noteholders and the DIP Note Agent, the “**Consultation Parties**”), is able to consummate the Sale, and whose Qualified Bid is received by the Sellers no later than the Bid Deadline is deemed qualified (a “**Qualified Bidder**”).

#### **Due Diligence**

The Debtors will provide any Potential Bidder such due diligence access or additional information as the Debtors deem appropriate, which may include differentiations between the diligence provided to strategic and financial bidders, as appropriate, and contractual obligations to limit access to certain proprietary information. The due diligence period will extend through and including the Bid Deadline. Additional due diligence will not be provided after the Bid Deadline, unless otherwise deemed reasonably appropriate by the Debtors.

#### **Provisions Governing Qualified Bids**

A bid will be considered a “**Qualified Bid**” only if the bid is submitted by a Qualified Bidder and the Debtors determine, in consultation with the Consultation Parties, such bid complies with all of the following:

- a. it is received by the Notice Parties prior to the Bid Deadline;
- b. it states that the applicable Qualified Bidder offers to purchase, in cash, all of the Assets upon the terms and conditions that the Debtors, in consultation with the Consultation Parties, reasonably determine are no less favorable than those set forth in the Stalking Horse Agreement;
- c. it includes a signed writing stating that the Qualified Bidder’s offer is irrevocable until the selection of the Successful Bidder, provided that if such bidder is selected as the Successful Bidder or the Back-Up Bidder (each, as defined below), its offer shall remain irrevocable until the earlier of (i) the closing of the Sale to the Successful Bidder or the Back-Up Bidder and (ii) the date that is thirty (30) days after the Sale Hearing;
- d. it includes confirmation that there is no condition precedent to the Qualified Bidder’s ability to enter into a definitive agreement and that all necessary internal and shareholder approvals have been obtained prior to the submission of the bid;
- e. it contains no due diligence or financing contingencies of any kind;

- f. it includes a duly authorized and executed copy of an asset purchase agreement (which shall be substantially similar to the Stalking Horse Agreement), which includes the purchase price for the Assets expressed in U.S. Dollars (the “**Purchase Price**”), together with all exhibits and schedules thereto, together with a copy marked to show any amendments and modifications to the Stalking Horse Agreement (a “**Competing Purchase Agreement**”) and a proposed order for approval of the Sale by this Court;
- g. it specifies the liabilities proposed to be paid or assumed by such Qualified Bid;
- h. it includes financial statements or other written evidence, including (if applicable) a firm, irrevocable commitment for financing, establishing the ability of the Qualified Bidder to consummate the proposed Sale and pay the Purchase Price in cash, such as will allow the Debtors, in consultation with the Consultation Parties, to make a reasonable determination as to the Qualified Bidder’s financial and other capabilities to consummate the transaction contemplated by the Competing Purchase Agreement;
- i. it has a value to the Debtors, determined by the Debtors’ reasonable business judgement after consultation with the Consultation Parties, that is greater than or equal to the sum of the value offered under the Stalking Horse Agreement, plus (a) the amount of the Stalking Horse Protections, plus (b) \$500,000;
- j. it identifies with particularity which Contracts and Leases the Qualified Bidder wishes to assume and provides details of the Qualified Bidder’s proposal for the treatment of related Cure Costs and the provision of adequate assurance of future performance (the “**Adequate Assurance Information**”) to the Counterparties to such Contracts and Leases;
- k. with regards to any Leases of nonresidential real property, the Adequate Assurance Information should include: (i) the specific name of the proposed assignee/tenant, if not the prospective purchaser; (ii) the proposed name under which the assignee intends to operate the store if not a current trade name of the Debtors; (iii) audited financial statements and annual reports for the proposed assignee, if available; (iv) cash flow projections for the proposed assignee, if available; (v) all documents and other evidence of the potential assignee’s retail experience and experience operating stores in a shopping center; and (vi) a contact person for the proposed assignee that landlords may directly contact with regards to the Adequate Assurance Information;
- l. it includes an acknowledgement and representation that the bidder: (a) has had an opportunity to conduct any and all required due diligence regarding the Assets prior to making its offer; (b) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Assets in making its bid; (c) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the Assets or the completeness of any information provided in connection therewith or with the Auction, except as expressly stated in the Competing Purchase Agreement; and (d) is not entitled to any expense reimbursement, break-up fee, or similar type of payment in connection with its bid;
- m. it includes evidence, in form and substance reasonably satisfactory to the Debtors, in consultation with the Consultation Parties, of authorization and approval from the Qualified



Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the Competing Purchase Agreement;

- n. it is accompanied by a good faith deposit in the form of a wire transfer (to a bank account specified by the Debtors), certified check or such other form acceptable to the Debtors, payable to the order of the Debtors (or such other party as the Debtors may determine) in an amount equal to ten percent (10%) of the purchase price provided for in the bid (a "**Good Faith Deposit**");
- o. it states that the bidder consents to the jurisdiction of this Court; and
- p. it contains such other information as may be reasonably requested by the Debtors, in consultation with the Consultation Parties.

Notwithstanding the foregoing, the Stalking Horse Bidder is deemed to be a Qualified Bidder and the Stalking Horse Bid shall be deemed to be a Qualified Bid, such that the Stalking Horse Bidder shall not be required to submit an additional Qualified Bid.

Notwithstanding the foregoing, the Debtors, in consultation with the Consultation Parties, shall have the ability to collectively consider multiple bids for different lots of Assets for the purposes of determining whether such bids, in the aggregate, comply with all of the requirements for being a deemed Qualified Bid under the terms of the Bidding Procedures. In this regard, the Debtors shall also have the ability to introduce Potential Bidders to each other at or prior to the Auction.

The Debtors reserve the right, in consultation with the Consultation Parties, to negotiate with any Qualified Bidder in advance of the Auction to cure any deficiencies in a bid that is not initially deemed a Qualified Bid.

As soon as reasonably practicable after the Bid Deadline, the Debtors shall notify the Consultation Parties, the Stalking Horse Bidder, and all Qualified Bidders in writing as to whether or not any bids (other than the Stalking Horse Agreement) constitute Qualified Bids, and will notify each Qualified Bidder that has submitted a bid (other than the Stalking Horse Bidder), whether such Qualified Bidder's bid constitutes a Qualified Bid promptly after such determination has been made.

Each Potential Bidder shall comply with all reasonable requests for additional information by the Debtors or their advisors regarding such Potential Bidder's financial wherewithal to consummate and perform obligations set forth in the Asset Purchase Agreement. Failure by the Potential Bidder to comply with requests for additional information may be a basis for the Debtors to determine that a Potential Bidder is not a Qualified Bidder and that bid made by a Potential Bidder or a Qualified Bidder is not a Qualified Bid.

### **Bid Deadline**

A Potential Bidder that desires to make a bid shall deliver written copies of its bid to the following parties (collectively, the "**Notice Parties**"): (1) proposed counsel for the Debtors: Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, Delaware 19801, Attn: Mark D. Collins, collins@rlf.com, and Michael J. Merchant, merchant@rlf.com; (2) Houlihan Lokey, Inc., 245 Park Avenue, 20<sup>th</sup> Floor, New York, NY 10167 Att: Chris Di Mauro, CDiMauro@HL.com, Steven Tishman, STishman@HL.com, and Sanaz Memarsadeghi, SMemarsadeghi@HL.com; (3) counsel to the Prepetition Noteholders and DIP Note Purchasers, (a) Debevoise & Plimpton LLP, 919 Third Avenue, New York, New York 10022, Attn: My Chi To, mcto@debevoise.com, and Daniel E. Stroik,

destroik@debevoise.com, and (b) Pachulski Stang Ziehl & Jones LLP, 919 North Market Street, 17<sup>th</sup> Floor, Wilmington, Delaware 19801, Attn: Bradford J. Sandler, bsandler@pszjlaw.com and James E. O'Neill, joneill@pszjlaw.com; (4) counsel to the ABL Administrative Agent and the ABL DIP Agent, (a) Riemer Braunstein LLP, Three Center Plaza, 6<sup>th</sup> Floor, Boston, Massachusetts, 02108, Attn: Donald E. Rothman, drothman@riemerlaw.com, Lon M. Singer, lsinger@riemerlaw.com, Jaime Rachel Koff, jkoff@riemerlaw.com, and Jeremy Levesque, jlevesque@riemerlaw.com, and (b) Ashby & Geddes, P.A., 500 Delaware Ave., 8<sup>th</sup> Floor, Wilmington, Delaware 19801, Attn: Gregory A. Taylor, GTaylor@ashbygeddes.com; and (5) proposed counsel to the Committee, (a) Cooley LLP, 1114 Avenue of the Americas, New York, New York 10036 Attn: Jay Indyke, jindyke@cooley.com, and (b) Whiteford, Taylor & Preston LLC, 405 North King Street, Suite 500, Wilmington, Delaware 19801, Attn: Christopher M. Samis, csamis@wtplaw.com, so as to be received by the foregoing parties no later than **5:00 p.m. (prevailing Eastern Time) on June 29, 2018** (the "**Bid Deadline**"). The Bid Deadline may be extended by the Debtors in consultation with the Consultation Parties, provided that such extension is not inconsistent with the Stalking Horse Agreement and related sale milestones set forth therein.

### **Evaluation of Competing Bids**

A Qualified Bid will be valued by the Debtors, in consultation with the Consultation Parties, based upon several factors including, without limitation, (1) the amount of the Purchase Price provided by such bid, (2) the nature of the consideration provided by such bid, (3) the risks and timing associated with consummating such bid, (4) any proposed revisions to the Stalking Horse Agreement and/or the Proposed Sale Order, (5) whether any Qualified Bid contains a sufficient cash component to ensure that the Debtors' estates are not rendered administratively insolvent, and (6) any other factors deemed relevant by the Debtors, in consultation with the Consultation Parties; including, *inter alia*, the assumption of liabilities, contracts and leases, and the likely employment of the Debtors' employees.

The Debtors shall disseminate the Adequate Assurance Information for any Qualified Bidder to the Counterparties to any Contracts and Leases within twenty-four (24) hours of such bid being declared a Qualified Bid and no later than July 3, 2018, provided that such Counterparties shall keep confidential all Adequate Assurance Information provided to them and shall be permitted to use and disclose such Adequate Assurance Information only as agreed to by the Qualified Bidder that provided such Adequate Assurance Information or as ordered by the Court. Provided that the Counterparties to such Contracts and Leases have provided the Debtors with contact information in advance, the Debtors will serve the Adequate Assurance Information *via* electronic mail.

### **No Qualified Bids**

If the Debtors do not receive any Qualified Bids other than the Stalking Horse Agreement, the Debtors will not conduct an auction for the Assets and shall request at the Sale Hearing that the Stalking Horse Bidder be deemed the Successful Bidder upon expiration of the Bid Deadline.

### **Auction Process**

If the Debtors receive one or more Qualified Bids in addition to the Stalking Horse Agreement, the Debtors will conduct the Auction, which shall take place at **10:00 a.m. prevailing Eastern Time on July 10, 2018**, at the office of Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, Delaware 19801 or such other date, time and location as shall be timely communicated to all entities entitled to attend the Auction. The Auction, which shall be recorded and transcribed, shall run in accordance with the following procedures:

- a. only the Debtors, the Stalking Horse Bidder, any other Qualified Bidder that has timely submitted a Qualified Bid, the Consultation Parties, and the advisors to each of the foregoing shall be permitted to attend the Auction in person; *provided, however,* that any party in interest may attend (but not participate in) the Auction if any such party in interest provides the Debtors with written notice of its intention to attend the Auction on or before two (2) Business Days prior to the Auction, which written notice shall be sent to proposed counsel for the Debtors via electronic mail, to Michael J. Merchant, at merchant@rlf.com;
- b. only the Stalking Horse Bidder and such other Qualified Bidders who have timely submitted Qualified Bids will be entitled to make any subsequent bids at the Auction;
- c. each Qualified Bidder shall be required to confirm on the record that it has not engaged in any collusion, within the meaning of Section 363(n) of the Bankruptcy Code, with respect to any bids submitted or not submitted in connection with the Sale;
- d. at least one (1) Business Day prior to the Auction, each Qualified Bidder who has timely submitted a Qualified Bid must inform the Debtors whether it intends to attend the Auction and all Qualified Bidders wishing to attend the Auction must have at least one individual representative with authority to bind such Qualified Bidder in attendance at the Auction in person; *provided* that in the event a Qualified Bidder elects not to attend the Auction, such Qualified Bidder's Qualified Bid shall nevertheless remain fully enforceable against such Qualified Bidder until the selection of the Successful Bidder and Back-Up Bidder (each, as defined below) at the conclusion of the Auction. At least twenty-four (24) hours prior to the time scheduled for the commencement of the Auction (as provided in these Bidding Procedures), the Debtors will provide to all Qualified Bidders (including the Stalking Horse Bidder) copies of each Qualified Bid and identify to them the Qualified Bid that the Debtors believe, after consultation with the Consultation Parties, is the highest or otherwise best offer (the "**Starting Bid**");
- e. all Qualified Bidders who have timely submitted Qualified Bids will be entitled to be present for all Subsequent Bids (as defined below) at the Auction and the actual identity of each Qualified Bidder will be disclosed on the record at the Auction;
- f. the Debtors, in consultation with the Consultation Parties, may modify, employ and announce at the Auction additional or amended procedural rules that are reasonable under the circumstances for conducting the Auction, *provided* that such rules (i) are not materially inconsistent with the Bidding Procedures, the Bidding Procedures Order, the Bankruptcy Code, or any order of the Bankruptcy Court entered in connection herewith, (ii) do not purport to abrogate or modify the Stalking Horse Agreement or the Stalking Horse Protections and (iii) are disclosed to each Qualified Bidder attending the Auction;
- g. bidding at the Auction will begin with the Starting Bid and continue in bidding increments (each, a "**Subsequent Bid**") providing a net value to the Debtors' estates of at least \$250,000 above the prior bid or collection of bids (the "**Continuing Minimum Overbid Amount**"). After the first round of bidding and between each subsequent round of bidding, the Debtors, after consultation with the Consultation

Parties, shall announce the bid (and the value of such bid) that they believe to be the highest or otherwise bid (each, the “**Leading Bid**”);

- h. a round of bidding will conclude after each participating Qualified Bidder has had the opportunity to submit a Subsequent Bid with full knowledge of the Leading Bid;
- i. except as specifically set forth herein, for the purpose of evaluating the value of the Purchase Price provided by each Subsequent Bid (including any Subsequent Bid by the Stalking Horse Bidder), the Debtors may give effect to the Stalking Horse Protections as well as any additional liabilities to be assumed by a Qualified Bidder, and any additional costs which may be imposed on the Debtors.

### **Selection of Successful Bid**

Prior to the conclusion of the Auction, the Debtors, in consultation with the Consultation Parties, will review and evaluate each Qualified Bid submitted at the Auction (including by the Stalking Horse Bidder) in accordance with the procedures set forth herein and determine which offer is the highest or otherwise best offer (one or more such bids, collectively the “**Successful Bid**” and the bidder(s) making such bid(s), collectively, the “**Successful Bidder**”), and communicate to the Stalking Horse Bidder and the other Auction participants the identity of the Successful Bidder and the material details of the Successful Bid. The determination of the Successful Bid by the Debtors, in consultation with the Consultation Parties, at the conclusion of the Auction shall be final, subject only to approval by the Bankruptcy Court.

The Qualified Bidder(s) with the next highest or otherwise best Qualified Bid or collection of Qualified Bids, as determined by the Debtors, in consultation with the Consultation Parties, will be required to serve as a back-up bidder (each, a “**Back-Up Bidder**”) and keep its bid open and irrevocable until the earlier to occur of (i) thirty (30) days after the Sale Hearing and (ii) closing on the Successful Bid with the Successful Bidder; provided, however that the Stalking Horse Bidder is required to serve as the Back-Up Bidder if so selected by the Debtors, in consultation with the Consultation Parties, until the earlier to occur of (i) thirty (30) days after the Auction and (ii) closing on the Successful Bid with the Successful Bidder. If the Successful Bidder fails to consummate the Sale, the Debtors will be authorized to consummate the Sale with the Back-Up Bidder subject to notice and a hearing.

After announcing the Successful Bidder and the Back-Up Bidder on the record, the Debtors shall close the Auction. Following closing of the Auction, if the Stalking Horse Bidder is declared the Successful Bidder by the Debtors, neither the Debtors nor their representatives shall initiate contact with, solicit or encourage submission of any inquiries, proposals or offers by, any person in connection with any sale or other disposition of the Assets.

Within one (1) Business Day after conclusion of the Auction, the Successful Bidder shall complete and execute all agreements, contracts, instruments and other documents necessary to consummate the Successful Bid. Within five (5) business hours after conclusion of the Auction, the Debtors shall file a notice with the Bankruptcy Court identifying the Successful Bidder and the Back-Up Bidder.

The Debtors will sell the Assets to the Successful Bidder pursuant to the terms of the Successful Bid upon the approval of such Successful Bid by the Bankruptcy Court at the Sale Hearing.

### **Return of Deposits**

All Good Faith Deposits shall be returned to a bidder not selected by the Debtors as the Successful Bidder or the Back-Up Bidder no later than five (5) Business Days following the conclusion of the Auction.

**THE STALKING HORSE PROTECTIONS**

In recognition of its expenditure of time, energy, and resources, the Debtors have agreed that if the Stalking Horse Bidder is not the Successful Bidder, the Debtors will pay, subject to the Bidding Procedures Order and the Stalking Horse Agreement (as modified by the Second Amendment), the Stalking Horse Bidder (i) a break-up fee equal to 3% of the Base Cash Amount (the “**Break-Up Fee**”), and (ii) reimbursement in an amount up to \$2,000,000 for reasonable and documented out-of-pocket costs, fees and expenses (the “**Expense Reimbursement**”, and together with the Break-Up Fee, the “**Stalking Horse Protections**”). The Stalking Horse Bidder shall provide documentation of the expenses for which it seeks reimbursement to counsel to the Debtors, the Consultation Parties and the U.S. Trustee in accordance with the Bidding Procedures Order. The Stalking Horse Protections shall be payable as provided for pursuant to the terms of the Bidding Procedures Order and the Stalking Horse Agreement.

**SALE HEARING**

The Debtors will seek entry of an order from the Bankruptcy Court at a hearing (the “**Sale Hearing**”) to begin on July 16, 2018 at 10:00 a.m. (prevailing Eastern Time), subject to the availability of the Bankruptcy Court, to approve and authorize the Sale to the Successful Bidder. Subject to the terms of the Stalking Horse Agreement, the Debtors reserve the right to change the date and/or time of the Sale Hearing (or any other dates related to the Sale) in order to achieve the maximum value for the Assets.

**Exhibit 2**

**Form of Sale Notice**

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re:	)	
	)	Chapter 11
THE ROCKPORT COMPANY, LLC, <i>et al.</i> ,	)	
	)	Case No. 18-11145 (LSS)
Debtors. <sup>1</sup>	)	
	)	Jointly Administered
	)	
	)	Re: Docket No. ____

**NOTICE OF SALE, BIDDING PROCEDURES, AUCTION, AND SALE HEARING**

**PLEASE TAKE NOTICE** that the above-captioned debtors (collectively, the “**Debtors**”) each filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code in the United States Bankruptcy Court for the District of Delaware (the “**Court**”) on May 14, 2018 (the “**Petition Date**”).

**PLEASE TAKE FURTHER NOTICE** that, on the Petition Date, the Debtors filed a motion (the “**Bidding Procedures Motion**”)² with the Court seeking entry of an order, among other things, granting the following relief in connection with the Debtors’ proposed sale of substantially all of their Assets (the “**Sale**”) (a) approving the Bidding Procedures pursuant to which the Debtors will solicit and select the highest and otherwise best offer for the Sale, (b) scheduling and conducting an auction (the “**Auction**”), if necessary, (c) establishing procedures for the assumption and assignment of executory contracts and unexpired leases in connection with the Sale, including notice of proposed Cure Costs (the “**Assumption and Assignment Procedures**”) and (d) scheduling a hearing (the “**Sale Hearing**”) to approve the Sale.

**PLEASE TAKE FURTHER NOTICE** that, on \_\_\_\_\_, 2018, the Court entered an order (the “**Bidding Procedures Order**”) approving, among other things, the Bidding Procedures, which establish the key dates and times related to the Sale and the Auction. All interested bidders should carefully read the Bidding Procedures Order and the Bidding Procedures in their entirety.<sup>3</sup>

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<sup>1</sup> The debtors and debtors in possession in these cases and the last four digits of their respective Employer Identification Numbers are: Rockport Blocker, LLC (5097), The Rockport Group Holdings, LLC (3025), TRG 1-P Holdings, LLC (4756), TRG Intermediate Holdings, LLC (8931), TRG Class D, LLC (4757), The Rockport Group, LLC (5559), The Rockport Company, LLC (5456), Drydock Footwear, LLC (7708), DD Management Services LLC (8274), and Rockport Canada ULC (3548). The debtors’ mailing address is 1220 Washington Street, West Newton, Massachusetts 02465.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Bidding Procedures Motion.

<sup>3</sup> To the extent of any inconsistencies between the Bidding Procedures and the summary descriptions of the Bidding Procedures in this notice, the terms of the Bidding Procedures shall control in all respects.

**Contact Person for Parties Interested in Submitting a Bid**

The Bidding Procedures set forth the requirements for becoming a Qualified Bidder and submitting a Qualified Bid, and any party interested in making an offer to purchase the Assets must comply strictly with the Bidding Procedures. Only Qualified Bids will be considered by the Debtors, in accordance with the Bidding Procedures.

**Any interested bidder should contact, as soon as possible:**

**Houlihan Lokey, Inc.**  
245 Park Avenue, 20th Floor  
New York, NY 10167  
Attn: Chris Di Mauro, Steven Tishman, and Sanaz Memarsadeghi  
CDiMauro@HL.com  
STishman@HL.com  
SMemarsadeghi@HL.com  
(212) 497-4100

**Obtaining Additional Information**

Copies of the Bidding Procedures Motion, the Bidding Procedures and the Bidding Procedures Order, as well as all related exhibits, including the Stalking Horse Agreement and all other documents filed with the Court, are available free of charge on the Debtors' case information website, <https://cases.primeclerk.com/rockport> or can be requested by e-mail at [Rockportinfo@primeclerk.com](mailto:Rockportinfo@primeclerk.com).

**Important Dates and Deadlines**

1. **Bid Deadline.** The deadline to submit a Qualified Bid is **June 29, 2018 at 5:00 p.m. (prevailing Eastern Time)**.
2. **Auction.** In the event that the Debtors timely receive a Qualified Bid in addition to the Qualified Bid of the Stalking Horse Bidder and subject to the satisfaction of any further conditions set forth in the Bidding Procedures, the Debtors intend to conduct an Auction for the Assets. The Auction, if one is held, will commence on **July 10, 2018 at 10:00 a.m. (prevailing Eastern Time)** at the office of Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, Delaware 19801, or such other date, time, and location as shall be timely communicated to all parties entitled to attend the Auction. Any party in interest may attend (but not participate in) the Auction if any such party in interest provides the Debtors with written notice of its intention to attend the Auction on or before two (2) Business Days prior to the Auction, which written notice shall be sent to proposed counsel for the Debtors via electronic mail, to Michael J. Merchant, at [merchant@rlf.com](mailto:merchant@rlf.com). If a party in interest wishes to be notified to any change in location, date or time of the Auction, such party in interest should notify proposed counsel to the Debtors by no later than two (2) Business Days before the Auction and provide the email address or fax number to be notified of such change.



3. **Auction Objection and Sale Objection Deadlines.** The deadline to file an objection with the Court to the Sale Order, the Stalking Horse Bidder, or the Sale with the Stalking Horse Bidder (collectively, the “**Sale Objections**”) is **June 28 2018 at 4:00 pm. (prevailing Eastern Time)** (the “**Sale Objection Deadline**”). If the Auction is held, parties may object to the conduct of the Auction, the Successful Bidder, or the Sale with the Successful Bidder (other than the Stalking Horse Bidder), at the Sale Hearing (as defined below).
4. **Sale Hearing.** A hearing (the “**Sale Hearing**”) to approve and authorize the Sale to the Successful Bidder will be held before the Court on or before **July 16, 2018 at 10:00 a.m. (prevailing Eastern Time)** or such other date as determined by the Court.
5. **Notice of Successful Bidder.** No later than five (5) business hours following the conclusion of the Auction, the Debtors shall file a notice of the Successful Bid(s), if any and Back-up Bid(s), if any, (the “**Notice of Auction Results**”) with the Court and serve such Notice of Auction Results by fax, email or (if neither is available) overnight mail to each Counterparty on the Contracts List and to any party in interest who has requested notice of the same in writing and provided a fax number or email address to the proposed counsel to Debtors.

#### **Filing Objections**

Sale Objections and Auction Objections, if any, must (a) be in writing, (b) state, with specificity, the legal and factual bases thereof, (c) be filed with the Court by no later than **the Sale Objection Deadline or Auction Objection Deadline**, as applicable, and (d) be served on (i) proposed counsel for the Debtors: Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, Delaware 19801, Attn: Mark D. Collins, collins@rlf.com, and Michael J. Merchant, merchant@rlf.com, (ii) counsel to the Prepetition Noteholders and DIP Note Purchasers, (a) Debevoise & Plimpton LLP, 919 Third Avenue, New York, New York 10022, Attn: My Chi To, mcto@debevoise.com, and Daniel E. Stroik, destroik@debevoise.com, and (b) Pachulski Stang Ziehl & Jones LLP, 919 North Market Street, 17<sup>th</sup> Floor, Wilmington, Delaware 19801, Attn: Bradford J. Sandler, bsandler@pszjlaw.com and James E. O’Neill, joneill@pszjlaw.com; (iii) counsel to the Collateral Agent and DIP Notes Agent, (a) Holland & Knight LLP, 131 South Dearborn Street, 30<sup>th</sup> Floor, Chicago, Illinois 60603, Attn: Joshua Spencer, joshua.spencer@khlaw.com, and (b) Pachulski Stang Ziehl & Jones LLP, 919 North Market Street, 17<sup>th</sup> Floor, Wilmington, Delaware 19801, Attn: Bradford J. Sandler, bsandler@pszjlaw.com and James E. O’Neil, joneill@pszjlaw.com, (iv) counsel to the ABL Administrative Agent and the ABL DIP Agent, (a) Riemer Braunstein LLP, Three Center Plaza, 6<sup>th</sup> Floor, Boston, Massachusetts, 02108, Attn: Donald E. Rothman, drothman@riemerlaw.com, Lon M. Singer, lsinger@riemerlaw.com, Jaime Rachel Koff, jkoff@riemerlaw.com, and Jeremy Levesque, jlevesque@riemerlaw.com, and (b) Ashby & Geddes, P.A., 500 Delaware Ave., 8<sup>th</sup> Floor, Wilmington, Delaware 19801, Attn: Gregory A. Taylor, GTaylor@ashbygeddes.com; (v) counsel to the Stalking Horse Bidder, (a) Goodwin Procter LLP, The New York Times Building, 620 Eighth Avenue, New York, New York 10018, Attn: William Weintraub, wweintraub@goodwinlaw.com, (b) Goodwin Procter LLP, 100 Northern Avenue, Boston, Massachusetts 02210, Attn: Jon Herzog, jherzog@goodwinlaw.com and Joseph F. Bernardi, Jr., jbernardi@goodwinlaw.com, and (c) Pepper Hamilton LLP, Hercules Plaza, Suite 5100, 1313

Market Street, P.O. Box 1709, Wilmington, Delaware 19899, Attn: David Fournier, [fournierd@pepperlaw.com](mailto:fournierd@pepperlaw.com) and Evelyn Meltzer, [meltzere@pepperlaw.com](mailto:meltzere@pepperlaw.com); (vi) proposed counsel to the Committee, (a) Cooley LLP, 1114 Avenue of the Americas, New York, New York 10036 Attn: Jay Indyke, [jindyke@cooley.com](mailto:jindyke@cooley.com), and (b) Whiteford, Taylor & Preston LLC, 405 North King Street, Suite 500, Wilmington, Delaware 19801, Attn: Christopher M. Samis, [csamis@wtplaw.com](mailto:csamis@wtplaw.com); and (vii) the U.S. Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware, 19801, Attn: Brya M. Keilson, [brya.keilson@usdoj.gov](mailto:brya.keilson@usdoj.gov).

#### **CONSEQUENCES OF FAILING TO TIMELY ASSERT AN OBJECTION**

*Any party who fails to make a timely Sale Objection on or before the Sale Objection Deadline in accordance with the Bidding Procedures Order and this Notice shall be forever barred from asserting any Sale Objection, including with respect to the transfer of the assets free and clear of all liens, claims, encumbrances and other interests.*

*Any party who fails to make a timely Auction Objection on or before the Auction Objection Deadline in accordance with the Bidding Procedures Order and this Notice shall be forever barred from asserting any Auction Objection, including with respect to the transfer of the assets free and clear of all liens, claims, encumbrances and other interests.*

#### **SALE TO BE FREE AND CLEAR OF LIENS, CLAIMS, AND INTERESTS**

*Except as provided in the Stalking Horse Agreement or another Successful Bidder's purchase agreement, all of the Debtors' right, title and interest in and to the Assets subject thereto shall be sold free and clear of any pledges, liens, security interests, encumbrances, claims, charges, options and interests thereon to the maximum extent permitted by Section 363 of the Bankruptcy Code.*

#### **NO SUCCESSOR LIABILITY**

*The Sale will be free and clear of, among other things, any claim arising from any conduct of the Debtors prior to the closing of the Sale, whether known or unknown, whether due or to become due, whether accrued, absolute, contingent or otherwise, so long as such claim arises out of or relates to events occurring prior to the closing of the Sale. Accordingly, as a result of the Sale, the Successful Bidder will not be a successor to any of the Debtors by reason of any theory of law or equity, and the Successful Bidder will have no liability, except as expressly provided in the Successful Bidder's Asset Purchase Agreement, for any liens, claims, encumbrances and other interests against or in any of the Debtors or the Assets under any theory of law, including successor liability theories.*

Dated: \_\_\_\_\_, 2018  
Wilmington, Delaware

/s/ DRAFT

Mark D. Collins (No. 2981)

Michael J. Merchant (No. 3854)

Amanda R. Steele (No. 5530)

Brendan J. Schlauch (No. 6115)

Megan E. Kenney (No. 6426)

RICHARDS, LAYTON & FINGER, P.A.

One Rodney Square

920 North King Street

Wilmington, Delaware 19801

Telephone: 302-651-7700

Fax: 302-651-7701

Email: collins@rlf.com

merchant@rlf.com

steele@rlf.com

schlauch@rlf.com

kenney@rlf.com

*Proposed Counsel to the Debtors*

**Exhibit 3**

**Form of Potential Assumption and Assignment Notice**

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

_____	)	
In re:	)	Chapter 11
	)	
THE ROCKPORT COMPANY, LLC, <i>et al.</i> ,	)	Case No. 18-11145 (LSS)
	)	
Debtors. <sup>1</sup>	)	Jointly Administered
	)	
_____	)	Re: Docket No. _____

**NOTICE OF POTENTIAL ASSUMPTION AND ASSIGNMENT OF EXECUTORY  
CONTRACTS OR UNEXPIRED LEASES AND CURE COSTS**

PLEASE TAKE NOTICE THAT:

1. The above-captioned debtors (collectively, the “**Debtors**” or “**Sellers**”) each filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the District of Delaware (the “**Court**”) on May 14, 2018 (the “**Petition Date**”).

2. On the Petition Date, the Debtors filed a motion (the “**Bidding Procedures Motion**”)² with the Court seeking entry of the Bidding Procedures Order. On \_\_\_\_\_, 2018, the Court entered the Bidding Procedures Order that, among other things, (a) approved the Bidding Procedures pursuant to which the Debtors will solicit and select the highest and otherwise best offer for the sale (the “**Sale**”) of substantially all of the Debtors’ Assets, (b) approved the form and manner of notice related to the Sale, (c) approved the procedures for the assumption and assignment of executory contracts and unexpired leases in connection with the Sale, including notice of proposed Cure Costs (the “**Assumption and Assignment Procedures**”) and (d) scheduled the hearing (the “**Sale Hearing**”) to enter an order approving the Sale to CB Marathon Opco, LLC (the “**Stalking Horse Bidder**”) or, if another bidder prevails at the Auction, such other Successful Bidder (the “**Sale Order**”) for **July 16, 2018 at 10:00 a.m. (prevailing Eastern Time)**.

**3. YOU ARE RECEIVING THIS NOTICE BECAUSE YOU HAVE BEEN IDENTIFIED AS A COUNTERPARTY TO A CONTRACT OR LEASE THAT MAY BE ASSUMED AND ASSIGNED TO A THE STALKING HORSE BIDDER OR OTHER**

<sup>1</sup> The debtors and debtors in possession in these cases and the last four digits of their respective Employer Identification Numbers are: Rockport Blocker, LLC (5097), The Rockport Group Holdings, LLC (3025), TRG 1-P Holdings, LLC (4756), TRG Intermediate Holdings, LLC (8931), TRG Class D, LLC (4757), The Rockport Group, LLC (5559), The Rockport Company, LLC (5456), Drydock Footwear, LLC (7708), DD Management Services LLC (8274), and Rockport Canada ULC (3548). The debtors’ mailing address is 1220 Washington Street, West Newton, Massachusetts 02465.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Bidding Procedures Motion.

**SUCCESSFUL BIDDER AS PART OF THE SALE.** If the Debtors assumes and assigns a Contract or Lease to which you are a party, on the Closing Date, or such later date as described below, you will be paid the amount the Debtors' records reflect is owing for any arrearages as of the Closing Date (such amount being the "**Cure Cost**"). A schedule listing the Contracts and Leases that may potentially be assumed and assigned as part of the Sale, and the proposed Cure Cost for each Contract and Lease, is attached hereto as Exhibit 1 (the "**Contracts List**") and may also be viewed free of charge on the Debtors' case information website, located at <https://cases.primeclerk.com/rockport> (the "**Case Management Website**"), or can be requested by e-mail at [Rockportinfo@primeclerk.com](mailto:Rockportinfo@primeclerk.com). *Each Cure Cost listed on the Contracts List represents all liabilities of any nature of the Debtors arising under a Contract or Lease prior to the closing of the Sale or other applicable effective date of the assumption and assignment of such Contract or Lease, whether known or unknown, whether due or to become due, whether accrued, absolute, contingent or otherwise, so long as such liabilities arise out of or relate to events occurring prior to the Closing of the Sale or such later date of the assumption and assignment of such Contract or Lease, whether known or unknown, whether due or to become due, whether accrued, absolute, contingent or otherwise, so long as such liabilities arise out of or relate to events occurring prior to the closing of the Sale or other applicable effective date of the assumption and assignment of such Contract or Lease.*

4. *The presence of a Contract or Lease on the Contracts List attached hereto as Exhibit 1 does not constitute an admission that such Contract or Lease is an executory contract or unexpired lease or that such Contract or Lease will be assumed and assigned as part of the Sale. The Debtors and the Stalking Horse Bidder or other Successful Bidder reserve all of their rights, claims and causes of action with respect to the Contracts and Leases listed on the Contracts List attached hereto as Exhibit 1.* In addition, under the terms of the Assumption and Assignment Procedures, unless otherwise provided in the Stalking Horse Bidders' or other Successful Bidder's Asset Purchase Agreement (as defined in the Bidding Procedures), at any time until two (2) days prior to the date of closing of the Sale, the Stalking Horse Bidder or other Successful Bidder may add or remove a Contract or Lease from the schedule attached to the Asset Purchase agreement setting forth the Contracts and Leases (the "**Purchased Contracts**") that will be assumed and assigned to such Stalking Horse Bidder or other Successful Bidder (such schedule, the "**Purchased Contracts Schedule**"); provided, however, that any amendment that results in a Contract or Lease being added to the Contracts List or in a previously-stated Cure Cost being modified shall be subject to further notice in accordance with the terms of the Bidding Procedures Order.

5. Except as otherwise set forth in the Bidding Procedures Order, pursuant to the Assumption and Assignment Procedures, objections to the proposed assumption and assignment of a Contract or Lease (an "**Assumption and Assignment Objection**"), including any objection relating to the Cure Cost or adequate assurance of the Stalking Horse Bidder's future ability to perform under the Contract or Lease must (a) be in writing, (b) comply with the Bankruptcy Code, Bankruptcy Rules and Local Rules, (c) state, with specificity, the legal and factual bases thereof, including, if applicable, the Cure Cost that the Counterparty believes is required to cure defaults under the relevant Contract or Lease, (d) be filed by no later than **June 28, 2018, at 4:00 p.m. (prevailing Eastern Time)** and (e) be served on (i) proposed counsel for the Debtors: Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, Delaware 19801, Attn: Mark D. Collins, [collins@rlf.com](mailto:collins@rlf.com), and Michael J. Merchant,

merchant@rlf.com, (ii) counsel to the Prepetition Noteholders and the DIP Note Purchasers, (a) Debevoise & Plimpton LLP, 919 Third Avenue, New York, New York 10022, Attn: My Chi To, mcto@debevoise.com, and Daniel E. Stroik, destroik@debevoise.com, and (b) Pachulski Stang Ziehl & Jones LLP, 919 North Market Street, 17<sup>th</sup> Floor, Wilmington, Delaware 19801, Attn: Bradford J. Sandler, bsandler@pszjlaw.com and James E. O'Neill, joneill@pszjlaw.com; (iii) counsel to the Collateral Agent and DIP Notes Agent, (a) Holland & Knight LLP, 131 South Dearborn Street, 30th Floor, Chicago, Illinois 60603, Attn: Joshua Spencer, joshua.spencer@khlaw.com, and (b) Pachulski Stang Ziehl & Jones LLP, 919 North Market Street, 17th Floor, Wilmington, Delaware 19801, Attn: Bradford J. Sandler, bsandler@pszjlaw.com and James E. O'Neil, joneill@pszjlaw.com, (iv) counsel to the ABL Administrative Agent and the ABL DIP Agent, (a) Riemer Braunstein LLP, Three Center Plaza, 6<sup>th</sup> Floor, Boston, Massachusetts, 02108, Attn: Donald E. Rothman, drothman@riemerlaw.com, Lon M. Singer, lsinger@riemerlaw.com, Jaime Rachel Koff, jkoff@riemerlaw.com, and Jeremy Levesque, jlevesque@riemerlaw.com, and (b) Ashby & Geddes, P.A., 500 Delaware Ave., 8<sup>th</sup> Floor, Wilmington, Delaware 19801, Attn: Gregory A. Taylor, GTaylor@ashbygeddes.com; (v) counsel to the Stalking Horse Bidder, (a) Goodwin Procter LLP, The New York Times Building, 620 Eighth Avenue, New York, New York 10018, Attn: William Weintraub, wwweintraub@goodwinlaw.com, (b) Goodwin Procter LLP, 100 Northern Avenue, Boston, Massachusetts 02210, Attn: Jon Herzog, jherzog@goodwinlaw.com and Joseph F. Bernardi, Jr., jbernardi@goodwinlaw.com, and (c) Pepper Hamilton LLP, Hercules Plaza, Suite 5100, 1313 Market Street, P.O. Box 1709, Wilmington, Delaware 19899, Attn: David Fournier, fournierd@pepperlaw.com and Evelyn Meltzer, meltzere@pepperlaw.com; (vi) proposed counsel to the Committee, (a) Cooley LLP, 1114 Avenue of the Americas, New York, New York 10036 Attn: Jay Indyke, jindyke@cooley.com, and (b) Whiteford, Taylor & Preston LLC, 405 North King Street, Suite 500, Wilmington, Delaware 19801, Attn: Christopher M. Samis, csamis@wtplaw.com, and (vii) the U.S. Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware, 19801, Attn: Brya M. Keilson, brya.keilson@usdoj.gov (collectively, the **"Assumption and Assignment Objection Notice Parties"**). In the event that any previously-stated Cure Cost is modified, the Debtors will promptly serve a Supplemental Assumption and Assignment Notice, by overnight mail and, if known, e-mail, on the applicable Counterparty.

6. Information regarding the Stalking Horse Bidder's ability to provide adequate assurance of future under a Contract or Lease is available by contacting counsel to the Stalking Horse Bidder using the contact information set forth in paragraph 5 above.

7. If, following the Auction, the Stalking Horse Bidder is not the Successful Bidder, then the Debtors will (a) file the Notice of Auction Results, which will, among other things, include the identity of the Successful Bidder, (b) post such notice on the Case Management Website, and (c) serve such notice on each Counterparty then identified on the Purchased Contracts Schedule. Each such Counterparty will then have an opportunity to object to the ability of such Successful Bidder to provide adequate assurance of future performance with respect to such Counterparty's Contract or Lease (a **"Post-Auction Objection"**). Any Post-Auction Objection may be made at the Sale Hearing.

8. Except as otherwise set forth in the Bidding Procedures Order, the Court will hear and determine any Assumption and Assignment Objections and Post-Auction Objections at the Sale Hearing or such other date that the Debtors and the Stalking Horse Bidder or other the

Successful Bidder shall determine in their discretion with notice to the party having filed the Assumption and Assignment Objection or Post-Auction Objection (subject to the Court's calendar).

9. Upon objection by the non-debtor Contract counterparty to the Cure Costs asserted by the Debtors with regard to any Contract (such contract, a "**Disputed Contract**"), the Debtors, with the consent of the Successful Bidder, shall either settle the objection of such party or shall litigate such objection under such procedures as the Bankruptcy Court shall approve and proscribe. In no event shall any the Debtors settle a Cure Costs objection with regard to any Purchased Contract without the express written consent of the Successful Bidder (with an email consent being sufficient). In the event that a dispute regarding the Cure Costs with respect to a Contract has not been resolved as of the Closing Date, the Debtors and the Successful Bidder shall nonetheless remain obligated to consummate the Transactions. Upon entry of an Order determining any Cure Costs regarding any Disputed Contract after the Closing (the "**Disputed Contract Order**"), the Successful Bidder shall have the option to designate the Disputed Contract as an Excluded Contract, in which case, for the avoidance of doubt, Successful Bidder shall not assume the Disputed Contract and shall not be responsible for the associated Cure Costs with such Disputed Contract; provided, however, that if Successful Bidder does not designate such Disputed Contract as an Excluded Contract within fifteen (15) days after the date of the Disputed Contract Order, such Disputed Contract shall automatically be deemed to be a Purchased Contract for all purposes under the Successful Bidder's Asset Purchase Agreement. Any Cure Costs associated with any Purchased Contract or any Disputed Contract which becomes a Purchased Contract shall be paid in accordance with the terms of the Successful Bidder's Asset Purchase Agreement.

#### **CONSEQUENCES OF FAILING TO TIMELY ASSERT AN OBJECTION**

***UNLESS YOU FILE AN OBJECTION TO THE CURE COST AND/OR THE ASSUMPTION OR ASSIGNMENT OF YOUR CONTRACT OR LEASE IN ACCORDANCE WITH THE INSTRUCTIONS AND DEADLINES SET FORTH HEREIN, YOU SHALL BE (A) BARRED FROM OBJECTING TO THE CURE COST SET FORTH ON EXHIBIT 1, (B) ESTOPPED FROM ASSERTING OR CLAIMING ANY CURE COST AGAINST THE DEBTORS, THE STALKING HORSE BIDDER OR OTHER SUCCESSFUL BIDDER THAT IS GREATER THAN THE CURE COST SET FORTH ON EXHIBIT 1 AND (C) DEEMED TO HAVE CONSENTED TO THE ASSUMPTION AND/OR ASSIGNMENT OF YOUR CONTRACT OR LEASE.***



**OBTAINING ADDITIONAL INFORMATION**

Copies of the Bidding Procedures Motion, the Bidding Procedures and the Bidding Procedures Order, as well as all related exhibits, including the Stalking Horse Agreement or other Asset Purchase Agreement and all other documents filed with the Court, are available free of charge on the Case Management Website or can be requested by e-mail [Rockportinfo@primeclerk.com](mailto:Rockportinfo@primeclerk.com). This notice, the Auction, and the Sale Hearing are subject to the fuller terms and conditions of the Bidding Procedures Order, which shall control in the event of any conflict, and the Debtor and Stalking Horse Bidder encourage parties-in-interest to review such documents in their entirety.

Dated: \_\_\_\_\_, 2018  
Wilmington, Delaware

/s/ DRAFT  
Mark D. Collins (No. 2981)  
Michael J. Merchant (No. 3854)  
Amanda R. Steele (No. 5530)  
Brendan J. Schlauch (No. 6115)  
Megan E. Kenney (No. 6426)  
RICHARDS, LAYTON & FINGER, P.A.  
One Rodney Square  
920 North King Street  
Wilmington, Delaware 19801  
Telephone: 302-651-7700  
Fax: 302-651-7701  
Email: [collins@rlf.com](mailto:collins@rlf.com)  
[merchant@rlf.com](mailto:merchant@rlf.com)  
[steele@rlf.com](mailto:steele@rlf.com)  
[schlauch@rlf.com](mailto:schlauch@rlf.com)  
[kenney@rlf.com](mailto:kenney@rlf.com)

*Proposed Counsel to the Debtors*

**Exhibit 4**

**Second Amendment**

Change to 4.6:

Notwithstanding anything to the contrary in this Agreement, in addition to Sellers obligations to cause the release of the Deposit Amount to Purchaser in accordance with Section 3.1(c)(ii), Sellers shall pay to Purchaser, so long as this Agreement has not been validly terminated (x) by Sellers in accordance with Section 4.4 of this Agreement prior to the Bid Deadline or solely under Sections 4.4(b), (f) or (g) of this Agreement after the Bid Deadline or (y) by Purchaser in accordance with Section 4.4 of this Agreement prior to the Auction or solely under Sections 4.4(a), (b), (c), (e), (g) or (i) of this Agreement after the Auction, the Expense Reimbursement and the Break-Up Fee by wire transfer of immediately available funds as a required closing payment at the closing of an Alternative Transaction with a Person that is not the Purchaser. If this Agreement has been validly terminated by Purchaser solely under Sections 4.4(a), (c), (e), (g) or (i) of this Agreement after an Auction, or by Sellers under Section 4.4(f) or (g) of this Agreement, and the Sellers subsequently close an Alternative Transaction with a Successful Bidder (as defined in Bidding Procedures Order) or Back-Up Bidder (as defined in Bidding Procedures Order) or their respective assignees or designees, the Break-Up Fee and Expense Reimbursement shall be paid by Sellers to Purchaser by wire transfer of immediately available funds as a required closing payment at the closing of such Alternative Transaction. In circumstances in which (i) Purchaser is not entitled to the Breakup Fee and Expense Reimbursement under the preceding two sentences, and (ii) there has been a valid termination of this Agreement by Sellers solely pursuant to Section 4.4(f) or (g) of this Agreement or by Purchaser solely pursuant to Sections 4.4(a), (c), (e), (g) or (i) of this Agreement, Sellers shall pay to Purchaser the Expense Reimbursement (which shall be an allowed administrative expense claim in the Bankruptcy Cases until paid) at the earlier of (x) the time of closing of any Alternative Transaction in which the aggregate consideration to the Debtors' estates equals or exceeds the Initial Cash Consideration, as a required closing payment; (y) the effective date of any chapter 11 plan confirmed in the Bankruptcy Cases; or (z) at such other time as allowed administrative expense claims are paid in the Bankruptcy Cases. Under no circumstances shall Sellers be obligated to pay the Expense Reimbursement or the Break-Up Fee more than once; provided, however, that, if Sellers fail to pay any amounts due to Purchaser pursuant to this Section 4.6(a) within the time period specified herein, Sellers shall also pay the costs and expenses (including reasonable legal fees and expenses) incurred by Purchaser in connection with any action or proceeding taken to collect payment of such amounts.

Change to 4.4(i):

(i) by Purchaser, if (x) Sellers agree to enter into an Alternative Transaction or select a Person other than Purchaser as the Successful Bidder at the Auction, (y) Purchaser has been designated as the Back-Up Bidder by Sellers in accordance with the Bidding Procedures Order, and (z) more than thirty (30) days have passed since the Auction.

① For the avoidance of doubt, for the purposes of this Section 4.6, Successful Bidder + Backup Bidder shall only refer to a party other than Purchaser whose bid was deemed higher or otherwise better than the bid contemplated by this Agreement at the Auction.