

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

AND IN THE MATTER OF ROCKPORT BLOCKER, LLC, THE ROCKPORT GROUP HOLDINGS, LLC, TRG 1-P HOLDINGS, LLC, TRG INTERMEDIATE HOLDINGS, LLC, TRG CLASS D, LLC, THE ROCKPORT GROUP, LLC, THE ROCKPORT COMPANY, LLC, DRYDOCK FOOTWEAR, LLC, DD MANAGEMENT SERVICES LLC AND ROCKPORT CANADA ULC (THE "DEBTORS")

APPLICATION OF ROCKPORT BLOCKER, LLC, UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

MOTION RECORD
OF ROCKPORT BLOCKER, LLC
(Returnable June 14, 2018)

June 13, 2018

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**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
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**AND IN THE MATTER OF ROCKPORT BLOCKER, LLC, THE ROCKPORT GROUP
HOLDINGS, LLC, TRG 1-P HOLDINGS, LLC, TRG INTERMEDIATE HOLDINGS,
LLC, TRG CLASS D, LLC, THE ROCKPORT GROUP, LLC, THE ROCKPORT
COMPANY, LLC, DRYDOCK FOOTWEAR, LLC, DD MANAGEMENT SERVICES
LLC AND ROCKPORT CANADA ULC (THE "DEBTORS")**

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COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED**

I N D E X

TAB	DOCUMENT
1.	Notice of Motion returnable June 14, 2018
2.	Affidavit of Paul Kosturos sworn June 13, 2018
	Exhibit A: First Day Declaration
	Exhibit B: First Kosturos Affidavit (without exhibits)
	Exhibit C: Recognition Orders
	Exhibit D: Bidding Procedures Order
	Exhibit E: Store Closing Sales Order
	Exhibit F: Ordinary Course Professionals Order
	Exhibit G: Administrative Advisor Order
	Exhibit H: A&M Retention Order
	Exhibit I: Consultant Retention Order
	Exhibit J: Final Shippers and Warehousemen Order
	Exhibit K: Final Critical and Foreign Vendors Order
	Exhibit L: Final Taxes Order
	Exhibit M: Final Insurance Order
	Exhibit N: Final Wages Order

TAB**DOCUMENT**

- Exhibit O: Final Utilities Order
- Exhibit P: Final Cash Management Order
- Exhibit Q: Canadian Landlord Agreement
- 3. Draft Order

Tab 1

**ONTARIO
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**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
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**APPLICATION OF ROCKPORT BLOCKER, LLC, UNDER SECTION 46 OF THE
COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED**

**NOTICE OF MOTION
(Returnable June 14, 2018)**

ROCKPORT BLOCKER, LLC ("Rockport Blocker") will make a motion before Justice McEwen on June 14, 2018 at 10:00 a.m., or as soon after that time as the motion can be heard at 330 University Ave., Toronto, Ontario. Any capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Second Kosturos Affidavit.

THE MOTION WILL BE HEARD ORALLY.

THE MOTION IS FOR:

1. An Order substantially in the form of the draft Order attached at Tab 3 of the Motion Record for, among other things:
 - (a) if necessary, abridging the time for service of the Notice of Motion and the Motion Record and directing that any further service of the Notice of Motion and Motion Record be dispensed with such that this motion is properly returnable on June 14, 2018;

- (b) recognizing and enforcing an order, *inter alia*, (i) approving the bidding procedures, attached as Exhibit 1 to the Bidding Procedures Order, pursuant to which the Debtors will solicit and select the highest or otherwise best offer for the sale (the “**Sale**”) of all or substantially all of the Debtors’ assets, (ii) approving the Stalking Horse Protections (as defined in the Bidding Procedures Order) provided by the Debtors to CB Marathon Opco, LLC, an affiliate of Charlesbank Equity Fund IX, Limited Partnership, (iii) scheduling an auction, if necessary, (iv) authorizing and approving the Sale Notice, substantially in the form attached to the Bidding Procedures Order as Exhibit 2 thereto, and the Potential Assumption and Assignment, substantially in the form attached to the Bidding Procedures Order as Exhibit 3 thereto, (v) approving the amendments to Sections 4.4(i) and 4.6(a) of the Stalking Horse Agreement, substantially in the form attached to the Bidding Procedures Order as Exhibit 4 thereto, to address the unsecured creditors’ committee’s objection to the Stalking Horse Protections (as defined in the Bidding Procedures Order), (vi) authorizing and approving procedures for the assumption and assignment of the Contracts and Leases and the determination of Cure Costs with respect thereto, (vii) scheduling a hearing to approve the Sale, and (viii) granting related relief (the “**Bidding Procedures Order**”);
- (c) recognizing and enforcing an order, *inter alia*, (i) authorizing, but not directing, the Debtors to (a) conduct store closing sales (the “**Store Closing Sales**”) at the Debtors’ retail stores in the United States and Canada (collectively, the “**Closing Stores**”) in accordance with the terms of the store closing sale guidelines attached as Exhibit 1 to the Store Closing Sales Order, and (b) pay retention and shrink bonuses to non-insider retail employees at the Closing Stores who remain employed for the duration of the Store Closing Sales, and (ii) granting certain related relief (the “**Store Closing Sales Order**”);
- (d) recognizing and enforcing an order, among other things, authorizing, but not directing, the Debtors to retain and pay professionals utilized in the ordinary course of business, including, but not limited to those set forth on Exhibit 1, attached to the Ordinary Course Professionals Order, as of the Filing Date or the applicable date of

engagement, in accordance with the procedures proposed therein (the “**Ordinary Course Professionals Order**”);

- (e) recognizing and enforcing an order, among other things, authorizing the Debtors to employ and retain Prime Clerk LLC as administrative advisor in the US Proceedings, *nunc pro tunc*, to the Filing Date (the “**Administrative Advisor Order**”);
- (f) recognizing and enforcing an order, among other things, (i) authorizing the Debtors to retain Alvarez & Marsal North America, LLC together with employees of its professional service provider affiliates (all of which are wholly-owned by its parent company and employees) and its wholly-owned subsidiaries (collectively, “**A&M and Affiliates**”) pursuant to the terms of that certain letter agreement between A&M and Affiliates and the Debtors, dated March 1, 2018 (replacing the prior engagement letter dated as of October 10, 2017) to provide the Debtors with an interim chief financial officer (“**Interim CFO**”), interim chief operating officer (the “**Interim COO**”) and additional employees of A&M and Affiliates (the “**Additional Personnel**”, and together with the Interim CFO and Interim COO, the “**Engagement Personnel**”), as needed to assist the Interim CFO and Interim COO, (ii) designating Paul Kosturos as Interim CFO and Josh Jacobs as Interim COO to the Debtors effective *nunc pro tunc* as of the Filing Date, and (iii) granting certain related relief (the “**A&M Retention Order**”);
- (g) recognizing and enforcing an order, among other things, (i) authorizing the retention and employment of HYPERAMS, LLC as the Debtors’ liquidation consultant, *nunc pro tunc*, to May 25, 2018, and (ii) modifying certain reporting requirements under the Local Rules (the “**Consultant Retention Order**”);
- (h) recognizing and enforcing a final order (i) authorizing, but not directing, the Rockport Group, in their sole discretion, to pay (a) all or a portion of the shipping and warehousing claims and (b) certain import charges; and (ii) authorizing applicable banks and other financial institutions to receive, process, honour and pay any and all cheques drawn on the Debtors’ general disbursement account and other

transfers, to the extent such cheques and transfers relate to any of the foregoing (the **“Final Shippers and Warehousemen Order”**);

- (i) recognizing and enforcing a final order (i) authorizing, but not directing, the Rockport Group to pay prepetition obligations of certain (a) critical vendors, up to US\$2,000,000; and (b) foreign vendors up to US\$20 million; and (ii) authorizing applicable banks and financial institutions to receive, process, honor and pay any and all cheques drawn on the Rockport Group’s general disbursement account and other transfers, to the extent these cheques and transfers relate to any of the foregoing (the **“Final Critical and Foreign Vendors Order”**);
- (j) recognizing and enforcing a final order (i) authorizing, but not directing, the Rockport Group, in their sole discretion, to pay Covered Taxes and Fees (as defined in the First Day Declaration), whether asserted prior to, on or after the commencement of the Chapter 11 cases; and (ii) authorizing and directing applicable banks and financial institutions to receive, process, honor and pay any and all cheques drawn on the Rockport Group’s general disbursement account and other transfers to the extent these cheques and transfers relate to any of the foregoing (the **“Final Taxes Order”**);
- (k) recognizing and enforcing a final order (i) authorizing the Rockport Group to continue and renew their (a) Insurance Programs (as defined in the First Day Declaration), including Premium Financing (as defined in the First Day Declaration), and (b) Surety Bond Program (as defined in the First Day Declaration) and honor all obligations under the Insurance and Surety Bond Programs; (ii) modifying the automatic stay imposed by Section 362 of the Bankruptcy Code to the extent necessary to permit the Rockport Group’s employees to proceed with any claims they may have under the Workers’ Compensation Program (as defined in the First Day Declaration); and (iii) authorizing financial institutions to honor and process related cheques and transfers (the **“Final Insurance Order”**);

- (l) recognizing and enforcing a final order authorizing the Rockport Group to pay pre-Petition wages, compensation, employee benefits and claims of independent contractors (the “**Final Wages Order**”);
 - (m) recognizing and enforcing a final order, with respect to utilities providers, (i) prohibiting the Rockport Group’s utility service providers from altering or discontinuing service; (ii) approving an adequate assurance deposit as adequate assurance of post-Petition payment to the utilities; and (iii) establishing procedures for resolving any subsequent requests by the utilities for additional adequate assurance of payment (the “**Final Utilities Order**”);
 - (n) recognizing and enforcing a final order authorizing, but not directing, the Rockport Group to maintain their existing bank accounts, cash management system and authorizing the continuation of (and administrative expense priority status of) intercompany transactions, subject to certain limitations set out therein (the “**Final Cash Management Order**”, together with the aforementioned orders, the “**Second Day and Other US Orders**”); and
2. Such further and other relief as counsel may request and this Court deems just.

THE GROUNDS FOR THE MOTION ARE:

1. on May 14, 2018, the Debtors commenced insolvency proceedings by filing voluntary petitions with the United States Bankruptcy Court for the District of Delaware (the “**US Court**”) under Chapter 11 of Title 11 of the United States Bankruptcy Code (the “**US Proceedings**”);
2. on May 15, 2018, the US Court made various orders in the US Proceedings (the “**First Day Orders**”), including an order authorizing Rockport Blocker to act as foreign representative of the US Proceedings and an order placing the Debtors under joint administration in the US Proceedings;
3. on May 16, 2018, this Court made an initial recognition order, *inter alia*, declaring that Rockport Blocker is the “foreign representative” as defined in section 45 of the *Companies*’

Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the “CCAA”), and a supplemental order, *inter alia*, recognizing the First Day Orders;

4. on June 5, 2018, the US Court granted the Bidding Procedures Order;
5. on June 13, 2018, the US Court granted the Second Day and Other US Orders in the US Proceedings;
6. Rockport Blocker seeks an order of this Court, among other things, recognizing the Second Day and Other US Orders to ensure consistency between the US Proceedings and these proceedings;
7. the provisions of the CCAA, including Part IV thereof;
8. rules 2.03, 3.02, 16, and 37 of the *Rules of Civil Procedure*, R.R.O. 1990. Reg. 194, as amended; and
9. such further and other grounds as counsel may advise and this Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

1. the affidavit of Paul Kosturos, sworn June 13, 2018 and the exhibits referred to therein (the “**Second Kosturos Affidavit**”);
2. the First Report of Richter dated June 13, 2018;
3. the affidavit of Paul Kosturos sworn May 15, 2018 (without exhibits);
4. the Second Day and Other US Orders of the US Court made in the US Proceedings, copies of which are attached to the Second Kosturos Affidavit; and
5. such further and other evidence as counsel may advise and this Court may permit.

June 13, 2018

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AND TO:	SCARBOROUGH TOWN CENTRE HOLDINGS, INC. 200 Bay Street Suite 900 Toronto, ON M5J 2J2
AND TO:	THE OUTLET COLLECTION (NIAGARA) LIMITED 95 Wellington Street West Suite 300 Toronto, ON M5J 2R2
AND TO:	MIRABEL OUTLET CENTRE GENERAL PARTNERSHIP 113 Dupont Street Suite 1001 Toronto, ON M5R 1V4 Attn: Kenneth C. Zuckerman
AND TO:	JLA FACTORY OUTLET HOLDINGS LIMITED 113 Dupont Street Suite 1001 Toronto, ON M5R 1V4 Attn: Kenneth C. Zuckerman
AND TO:	KCAP KINGSTON INC. 45 St. Clair Avenue West Suite 1001 Toronto, ON M4V 1K9
AND TO:	STAMPER, INC. 401 Trans Canada Highway Charlottetown, PEI C1A 4B5 Attn: Mr. Chris Cudmore
AND TO:	GPM MANAGED INVESTMENTS, INC. 70 University Avenue Suite 1200 Toronto, ON M5J 2M4

AND TO:	CAMERON CORPORATION & GROSVENOR CANADA LIMITED 10180 – 111 th Street Edmonton, AB T5K 1K6
AND TO:	MONTEZ HILLCREST, INC. AND HILLCREST HOLDINGS, INC. 200 Bay Street | Suite 900 Toronto, ON M5J 2J2 Attn: Vice-President, Real Estate Management Legal Services Department
AND TO:	IC SPG POC AT EDMONTON LP 95 Wellington Street West | Suite 300 Toronto, ON M5J 2R2
AND TO:	SEASONS RETAIL CORP; THE OUTLET COLLECTION AT WINNIPEG 95 Wellington Street West | Suite 300 Toronto, ON M5J 2R2
AND TO:	DESJARDINS FINANCIAL SECURITY LIFE ASSURANCE COMPANY 200 Rue des Commandeurs Levis, QC G6V 6R2 Attn: Property Manager

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF ROCKPORT BLOCKER, LLC, THE ROCKPORT GROUP HOLDINGS, LLC, TRG 1-P HOLDINGS, LLC, TRG
INTERMEDIATE HOLDINGS, LLC, TRG CLASS D, LLC, THE ROCKPORT GROUP, LLC, THE ROCKPORT COMPANY, LLC, DRYDOCK
FOOTWEAR, LLC, DD MANAGEMENT SERVICES LLC AND ROCKPORT CANADA ULC (THE "DEBTORS")

APPLICATION OF ROCKPORT BLOCKER, LLC, UNDER SECTION 46 OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985,
c. C-36, AS AMENDED

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDINGS COMMENCED AT TORONTO

NOTICE OF MOTION
(Returnable June 14, 2018)

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Lawyers for Rockport Blocker, LLC, The Rockport Group
Holdings, LLC, TRG 1-P Holdings, LLC, TRG Intermediate
Holdings, LLC, TRG Class D, LLC, The Rockport Group, LLC,
The Rockport Company, LLC, Drydock Footwear, LLC, DD
Management Services LLC and Rockport Canada ULC

Tab 2

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

AND IN THE MATTER OF ROCKPORT BLOCKER, LLC, THE ROCKPORT GROUP HOLDINGS, LLC, TRG 1-P HOLDINGS, LLC, TRG INTERMEDIATE HOLDINGS, LLC, TRG CLASS D, LLC, THE ROCKPORT GROUP, LLC, THE ROCKPORT COMPANY, LLC, DRYDOCK FOOTWEAR, LLC, DD MANAGEMENT SERVICES LLC AND ROCKPORT CANADA ULC (THE "DEBTORS")

APPLICATION OF ROCKPORT BLOCKER, LLC, UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AFFIDAVIT OF PAUL KOSTUROS
(Sworn June 13, 2018)

I, **PAUL KOSTUROS**, of the City of San Francisco in the State of California, **MAKE OATH AND SAY as follows:**

1. I am the Interim Chief Financial Officer of The Rockport Company, LLC ("**Rockport**"), a Delaware limited liability company and its affiliated companies, the debtor companies in these proceedings, and as such have personal knowledge of the matters deposed to in this Affidavit, or where I do not possess such personal knowledge, I have stated the source of my information, and in all such cases I believe that both the information and the resulting statement to be true.
2. I am also a Senior Director of Alvarez & Marsal Private Equity Services Operations Group, LLC ("**A&M**"). I have more than 20 years' experience in finance and accounting and have advised companies across a diverse range of industries in respect of their restructuring and insolvency proceedings (both in and out of court). I also have experience designing financing packages and acting as a financial advisor in the purchase or sale of numerous businesses.

3. I have been the interim Chief Financial Officer of Rockport and its affiliated companies since August 1, 2017.

4. Rockport, Rockport Blocker, LLC, The Rockport Group Holdings, LLC, TRG 1-P Holdings, LLC, TRG Intermediate Holdings, LLC, TRG Class D, LLC, The Rockport Group, LLC, Drydock Footwear, LLC, DD Management Services LLC (collectively, the “**US Debtors**”) and Rockport Canada ULC (“**Rockport Canada**”, and together with the US Debtors, the “**Rockport Group**” or the “**Debtors**”) initially retained A&M in March 2017 to provide technology consulting services.

5. The Rockport Group then expanded A&M’s management to include interim management services, including my appointment as interim Chief Financial Officer.

6. As a result of my role over the past 10 months, I am generally familiar with the Rockport Group’s business, day-to-day operations, finances and records.

Introduction

7. On May 14, 2018 (the “**Filing Date**”), each entity in the Rockport Group filed voluntary petitions for relief pursuant to Chapter 11 of Title 11 (“**Chapter 11**”) of the United States Bankruptcy Code (the “**US Code**”) (collectively, the “**Petitions**” and each a “**Petition**”) with the United States Bankruptcy Court for the District of Delaware (the “**US Court**”). The Rockport Group has requested that the Petitions be jointly administered for procedural purposes only.

8. As of the date of this Affidavit, I am not aware of any other insolvency proceedings involving the Rockport Group other than the proceedings before the US Court commenced by the Petitions (the “**US Proceedings**”) and these proceedings.

9. On May 15, 2018, the US Court made various orders (the “**First Day Orders**”), including orders appointing Rockport Blocker as foreign representative of the Rockport Group and authorizing the Rockport Group to obtain debtor-in-possession financing on an interim basis.

10. In support of the Petitions, I caused to be filed with the US Court a declaration (the “**First Day Declaration**”). The First Day Declaration sets out in greater detail, among other things, the history of the Rockport Group and the present challenges leading to the US Proceedings.

Attached hereto and marked as **Exhibit “A”** is a true copy of the First Day Declaration.

11. On May 15, 2018, I swore an Affidavit in these proceedings in support of the application for the Recognition Orders (the “**First Kosturos Affidavit**”). The First Kosturos Affidavit sets out in greater detail the background to this matter and the First Day Orders. Attached hereto and marked as **Exhibit “B”** is a true copy of the First Kosturos Affidavit (without exhibits).

12. On May 16, 2018, this Court made orders, among other things, recognizing the First Day Orders within Canada (the “**Recognition Orders**”). Attached hereto and marked as **Exhibit “C”** is a copy of the Initial Recognition Order, the Supplemental Order and the Endorsement made by Mr. Justice McEwen on May 16, 2018.

13. As detailed in the First Kosturos Affidavit, the Rockport Group entered into an asset purchase agreement dated as of May 13, 2018 (the “**Stalking Horse Agreement**”) to sell substantially all of the Rockport Group’s assets to CB Marathon Opco, LLC (“**Marathon**”), an affiliate of Charlesbank Equity Fund IX, Limited Partnership (“**Charlesbank**”), or another higher or otherwise better bidder, pursuant to Section 363 of the US Code. The Rockport Group has determined that value for creditors will be maximized by commencing the US Proceedings and continuing an orderly sale process.

14. This Affidavit is made in support of a motion by Rockport Blocker, in its capacity as Foreign Representative of the Rockport Group pursuant to the Debtors’ proceedings under Part IV of the *Companies’ Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended (the “**CCAA**”), for an order granting certain relief, including, *inter alia*:

- (a) abridging the time for service of the materials such that this motion is properly returnable on June 14, 2018; and
- (b) recognizing and enforcing in Canada certain orders (as set out below) of the US Court made in the US Proceedings.

The Second Day and Other US Orders

15. The US Court heard several motions on June 5, 2018 and June 13, 2018, as applicable, and granted orders in connection therewith, as well as entered certain uncontested orders on June

12, 2018, (collectively, the “**Second Day and Other US Orders**”) which include, *inter alia*:

- (a) an order, *inter alia*, (i) approving the proposed bidding procedures, attached as Exhibit 1 to the Bidding Procedures Order (the “**Bidding Procedures**”), pursuant to which the Debtors will solicit and select the highest or otherwise best offer for the sale (the “**Sale**”) of all or substantially all of the Debtors’ assets (collectively, the “**Assets**”), (ii) approving the Stalking Horse Protections (as defined in the Bidding Procedures Order) provided by the Debtors to Marathon, an affiliate of Charlesbank (the “**Stalking Horse Bidder**”), (iii) scheduling an auction (the “**Auction**”), if necessary, (iv) authorizing and approving the Sale Notice (as defined below) and the Potential Assumption and Assignment Notice (as defined below), (v) approving the amendments to Sections 4.4(i) and 4.6(a) of the Stalking Horse Agreement (as defined in the Second Kosturos Affidavit), substantially in the form attached to the Bidding Procedures Order as Exhibit 4 thereto, to address the unsecured creditors’ committee’s objection to the Stalking Horse Protections (as defined in the Bidding Procedures Order), (vi) authorizing and approving procedures for the assumption and assignment of the Contracts and Leases (as defined below) and the determination of Cure Costs (as defined below) with respect thereto (collectively, the “**Assumption and Assignment Procedures**”), (vii) scheduling a hearing to approve the Sale (the “**Sale Hearing**”), and (viii) granting related relief (the “**Bidding Procedures Order**”). Attached hereto and marked as **Exhibit “D”** is a true copy of the Bidding Procedures Order;
- (b) an order, *inter alia*, (i) authorizing, but not directing, the Debtors to (a) conduct store closing sales (the “**Store Closing Sales**”) at the Debtors’ retail stores in the United States and Canada (collectively, the “**Closing Stores**”) in accordance with the terms of the store closing sale guidelines attached as Exhibit 1 to the Store Closing Sales Order (the “**Store Closing Sale Guidelines**”), and (b) pay retention and shrink bonuses (the “**Store Closing Bonuses**”) to non-insider retail employees at the Closing Stores who remain employed for the duration of the Store Closing Sales, and (ii) granting certain related relief (the “**Store Closing**

Sales Order”). Attached hereto and marked as **Exhibit “E”** is a true copy of the Store Closing Sales Order;

- (c) an order, among other things, authorizing, but not directing, the Debtors to retain and pay professionals utilized in the ordinary course of business (each, an **“Ordinary Course Professional”** and, collectively, the **“Ordinary Course Professionals”**), including, but not limited to those set forth on Exhibit 1, attached to the Ordinary Course Professionals Order, as of the Filing Date or the applicable date of engagement, in accordance with the procedures proposed therein (the **“Ordinary Course Professionals Order”**). Attached hereto and marked as **Exhibit “F”** is a true copy of the Ordinary Course Professionals Order;
- (d) an order, among other things, authorizing the Debtors to employ and retain Prime Clerk LLC (**“Prime Clerk”**) as administrative advisor in the US Proceedings, *nunc pro tunc*, to the Filing Date (the **“Administrative Advisor Order”**). Attached hereto and marked as **Exhibit “G”** as a true copy of the Administrative Advisor Order;
- (e) an order, among other things, (i) authorizing the Debtors to retain Alvarez & Marsal North America, LLC together with employees of its professional service provider affiliates (all of which are wholly-owned by its parent company and employees) and its wholly-owned subsidiaries (collectively, **“A&M and Affiliates”**) pursuant to the terms of that certain letter agreement between A&M and Affiliates and the Debtors, dated March 1, 2018 (replacing the prior engagement letter dated as of October 10, 2017, the **“A&M Engagement Letter”**) to provide the Debtors with an interim chief financial officer (**“Interim CFO”**), interim chief operating officer (the **“Interim COO”**) and additional employees of A&M and Affiliates (the **“Additional Personnel”**, and together with the Interim CFO and Interim COO, the **“Engagement Personnel”**), as needed to assist the Interim CFO and Interim COO, (ii) designating Paul Kosturos as Interim CFO and Josh Jacobs as Interim COO to the Debtors effective, *nunc pro tunc*, as of the Filing Date, and (iii) granting certain related relief (the **“A&M**

Retention Order”). Attached hereto and marked as **Exhibit “H”** is a true copy of the A&M Retention Order;

- (f) an order, among other things, (i) authorizing the retention and employment of HYPERAMS, LLC as the Debtors’ liquidation consultant (the “**Consultant**”), *nunc pro tunc*, to May 25, 2018 (the “**Effective Date**”), and (ii) modifying certain reporting requirements under the Local Rules (the “**Consultant Retention Order**”). Attached hereto and marked as **Exhibit “I”** is a true copy of the Consultant Retention Order;
- (g) a final order (i) authorizing, but not directing, Rockport Group, in their sole discretion, to pay (a) all or a portion of the shipping and warehousing claims and (b) certain import charges; and (ii) authorizing applicable banks and other financial institutions to receive, process, honour and pay any and all cheques drawn on the Debtors’ general disbursement account and other transfers, to the extent such cheques and transfers relate to any of the foregoing (the “**Final Shippers and Warehousemen Order**”). Attached hereto and marked as **Exhibit “J”** is a true copy of the Final Shippers and Warehousemen Order;
- (h) a final order (i) authorizing, but not directing, the Rockport Group to pay prepetition obligations of certain (a) critical vendors, up to US\$2,000,000; and (b) foreign vendors up to US\$20 million; and (ii) authorizing applicable banks and financial institutions to receive, process, honor and pay any and all cheques drawn on the Rockport Group’s general disbursement account and other transfers, to the extent these cheques and transfers relate to any of the foregoing (the “**Final Critical and Foreign Vendors Order**”). Attached hereto and marked as **Exhibit “K”** is a true copy of the Final Critical and Foreign Vendors Order;
- (i) a final order (i) authorizing, but not directing, the Rockport Group, in their sole discretion, to pay Covered Taxes and Fees (as defined in the First Day Declaration), whether asserted prior to, on or after the commencement of the Chapter 11 cases; and (ii) authorizing and directing applicable banks and financial institutions to receive, process, honor and pay any and all cheques drawn on the

Rockport Group's general disbursement account and other transfers to the extent these cheques and transfers relate to any of the foregoing (the "**Final Taxes Order**"). Attached hereto and marked as **Exhibit "L"** is a true copy of the Final Taxes Order;

- (j) a final order (i) authorizing the Rockport Group to continue and renew their (a) Insurance Programs (as defined in the First Day Declaration), including Premium Financing (as defined in the First Day Declaration), and (b) Surety Bond Program (as defined in the First Day Declaration) and honor all obligations under the Insurance and Surety Bond Programs; (ii) modifying the automatic stay imposed by Section 362 of the Bankruptcy Code to the extent necessary to permit the Rockport Group's employees to proceed with any claims they may have under the Workers' Compensation Program (as defined in the First Day Declaration); and (iii) authorizing financial institutions to honor and process related cheques and transfers (the "**Final Insurance Order**"). Attached hereto and marked as **Exhibit "M"** is a true copy of the Final Insurance Order;
- (k) a final order authorizing the Rockport Group to pay pre-Petition wages, compensation, employee benefits and claims of independent contractors (the "**Final Wages Order**"). Attached hereto and marked as **Exhibit "N"** is a true copy of the Final Wages Order;
- (l) a final order, with respect to utilities providers, (i) prohibiting the Rockport Group's utility service providers from altering or discontinuing service; (ii) approving an adequate assurance deposit as adequate assurance of post-Petition payment to the utilities; and (iii) establishing procedures for resolving any subsequent requests by the utilities for additional adequate assurance of payment (the "**Final Utilities Order**"). Attached hereto and marked as **Exhibit "O"** is a true copy of the Final Utilities Order; and
- (m) a final order authorizing, but not directing, the Rockport Group to maintain their existing bank accounts, cash management system and authorizing the continuation of (and administrative expense priority status of) intercompany transactions,

subject to certain limitations set out therein (the “**Final Cash Management Order**”). Attached hereto and marked as **Exhibit “P”** is a true copy of the Final Cash Management Order.

The Bidding Procedures Order

16. On June 5, 2018, the US Court made the Bidding Procedures Order, which contemplated, *inter alia*, the following relief:

- (a) approving the Bidding Procedures, pursuant to which the Debtors will solicit and select the highest or otherwise best offer for the Sale of all or substantially all of the Debtors’ Assets, including the bid deadline of 5:00 p.m. (prevailing Eastern Time) on June 29, 2018 (the “**Bid Deadline**”) and the deadline by which the Debtors shall notify Potential Bidders (as defined in the Bidding Procedures) of their status as Qualified Bidders (as defined in the Bidding Procedures);
- (b) approving the Stalking Horse Protections (as defined in the Bidding Procedures Order), namely the Break-Up Fee and Expense Reimbursement (as such terms are defined in the Stalking Horse Agreement) provided by the Debtors to the Stalking Horse Bidder;
- (c) scheduling the Auction, in the event the Debtors receive, on or before the Bid Deadline, one or more Qualified Bids (as defined in the Bidding Procedures) in addition to the bid of the Stalking Horse Bidder, which Auction will 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);
- (d) authorizing and approving the (i) notice of the Sale, the Bid Deadline, the Auction and the Sale Hearing, substantially in the form attached to the Bidding Procedures Order as Exhibit 2 thereto (the “**Sale Notice**”), and (ii) notice to each relevant non-Debtor counterparty to an executory contract or unexpired lease related to the Assets of the potential assumption and assignment of their executory contract or

unexpired lease (the “**Contracts and Leases**”) and the calculation of the amount necessary to cure any monetary defaults thereunder (the “**Cure Costs**”), substantially in the form attached to the Bidding Procedures Order as Exhibit 3 thereto (the “**Potential Assumption and Assignment Notice**”);

- (e) approving the amendments to the Stalking Horse Agreement;
- (f) authorizing and approving the Assumption and Assignment Procedures;
- (g) scheduling the Sale Hearing; and
- (h) granting related relief.

17. In making the Bidding Procedures Order, the US Court found and determined, *inter alia*, the following:

- (a) the Bidding Procedures in the form attached to the Bidding Procedures Order as Exhibit 1 thereto are fair, reasonable and appropriate and are designed to maximize creditor recoveries from a sale of the Assets;
- (b) 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;
- (c) the Stalking Horse Agreement represents the highest or otherwise best offer that the Debtors have received to date for the Assets;
- (d) the process for selecting the Stalking Horse Bidder was fair and appropriate under the circumstances and in the best interests of the Debtors’ estates;
- (e) the Debtors have demonstrated a compelling and sound business justification for the US Court to enter the Bidding Procedures Order; and
- (f) the Stalking Horse Protections, as approved by the Bidding Procedures Order, are fair and reasonable and provide a benefit to the Debtors’ estates and stakeholders.

The Store Closing Sales Order

18. On June 13, 2018, the US Court made the Store Closing Sales Order, which contemplated, *inter alia*, the following relief:

- (a) authorizing, but not directing, the Debtors to (i) conduct the Store Closing Sales at the Debtors' Closing Stores in accordance with the terms of the Store Closing Sale Guidelines, and (ii) pay the Store Closing Bonuses to non-insider retail employees at the Closing Stores who remain employed for the duration of the Store Closing Sales; and
- (b) granting certain related relief.

19. Paragraph 3 of the Store Closing Sales Order provides as follows:

... The Debtors are authorized, in their discretion and business judgment, to enter into an agreement with any landlord modifying the Store Closing Sale Guidelines with respect to a specific Closing Store (a "**Landlord Agreement**"); *provided* that (i) any Landlord Agreement shall not have a material adverse effect on the Debtors or their estates and (ii) no Landlord Agreement shall modify paragraph 7 of the Store Closing Sale Guidelines...

20. Rockport Canada has negotiated an agreement with three (3) sets of counsel to Canadian landlords representing in excess of twenty (20) Canadian stores, as contemplated by paragraph 3 of the Store Closing Sales Order, which modifies the Store Closing Sale Guidelines to address the concerns of the Canadian landlords represented by such counsel (the "**Canadian Landlord Agreement**"). In order to be fair and even-handed, Rockport Canada has entered into such agreement and has extended the terms of such agreement to the benefit of all Canadian landlords, which landlords are set out on Schedule "A" thereto (the "**Canadian Landlords**"). Attached hereto and marked as **Exhibit "Q"** is a true copy of the Canadian Landlord Agreement.

21. The US Court granted the Store Closing Sales Order having been satisfied with the following representations by the Debtors in their motion materials:

- (a) the Debtors have demonstrated sound business justifications for the Store Closing Sales;

- (b) notice of the Store Closing Sales is reasonable and appropriate;
- (c) the Store Closing Sales will produce fair and reasonable prices for the Debtors' North American retail assets comprising a total of 27 stores in the United States and 33 stores in Canada, including related inventory (collectively, the "**North American Retail Assets**");
- (d) the Debtors' efforts to sell the North American Retail Assets have been in good faith to maximize value to the estates; and
- (e) payment of the Store Closing Bonuses is warranted and in the sound business judgment of the Debtors.

The Ordinary Course Professionals Order

22. On June 12, 2018, the US Court entered the Ordinary Course Professionals Order on an uncontested basis, which contemplated, *inter alia*, authorizing, but not directing, the Debtors to retain and pay the Ordinary Course Professionals as of the Filing Date or the applicable date of engagement in accordance with the procedures proposed therein. An initial list of the Debtors' current Ordinary Course Professionals expected to incur an average of US\$35,000.00 or less of fees and expenses per month is attached to the Ordinary Course Professionals Order as Exhibit 1 thereto. The Debtors reserve the right to supplement this exhibit in the future.

23. The Debtors desire to continue to employ and retain the services of the Ordinary Course Professionals, while operating as debtors in possession under the US Code, will enable them to continue the normal business activities that are essential to the achievement of their Chapter 11 objectives. The Ordinary Course Professionals provide services to the Debtors in a variety of matters unrelated to the US Proceedings, including, but not limited to, legal, regulatory, employment, tax and accounting services. Moreover, the work of the Ordinary Course Professionals, albeit ordinary course, is directly related to the preservation of the value of the Debtors, their non-debtor affiliates, and the Debtors' estates, even though the amount of fees and expenses incurred by the Ordinary Course Professionals represents only a fraction of that value. Although the automatic stay and other issues in these cases may decrease the Debtors' need for the services of certain Ordinary Course Professionals, the Debtors cannot now quantify or

qualify their needs.

24. In light of the significant costs associated with the preparation of employment applications for professionals who will receive relatively modest fees, the preparation and submission of individual applications and proposed retention orders for each Ordinary Course Professional would be impractical, inefficient and extremely costly for the Debtors.

25. It is anticipated that the Debtors will employ the Ordinary Course Professionals to perform ongoing services during the pendency of the US Proceedings. Except as may be set forth in the Procedures (as defined in the Ordinary Course Professionals Order), during the pendency of the cases, no single Ordinary Course Professional listed on Exhibit 1 to the Ordinary Course Professionals Order will be paid more than the monthly caps set for therein (the “**Cap Amounts**”) on an average over a rolling three (3) month period during the pendency of the US Proceedings. To the extent any contingency fees are earned by any Ordinary Course Professional on account of recoveries realized on behalf of the Debtors, such contingency fees will be subject to approval by the US Court based upon a separate application for allowance of fees and expenses under Sections 330 and 331 of the US Code. The Debtors may increase the monthly Cap Amount, if necessary under the circumstances, upon notice and opportunity to object.

26. The US Court determined that the relief requested in the Ordinary Course Professionals Order is in the best interests of the Debtors, their estates, their creditors, and other parties in interest.

27. The recognition of the Ordinary Course Professionals Order in Canada is appropriate given that Crupi Law is Canadian real estate counsel to the Rockport Group and McCarthy Tetrault LLP is Canadian counsel to the Rockport Group in corporate matters and as registration agent. Accordingly, in an effort to recognize the coordination of these proceedings in the US and Canada, it is appropriate and necessary to recognize the Ordinary Course Professionals Order.

The Administrative Advisor Order

28. On June 12, 2018, the US Court entered the Administrative Advisor Order on an uncontested basis, which authorizes (i) the Debtors to employ and retain Prime Clerk as Administrative Advisor in the US Proceedings, *nunc pro tunc*, to the Filing Date under the terms

of the Engagement Agreement (as defined in the Administrative Advisor Order and attached as Exhibit C thereto) and (ii) Prime Clerk to perform certain bankruptcy administration services.

29. Prime Clerk's rates are competitive and comparable to the rates its competitors charge for similar services. Indeed, the Debtors conducted a review and competitive comparison of other firms and reviewed the rates of other firms prior to selecting Prime Clerk as Administrative Advisor. Prime Clerk will seek reimbursement from the Debtors for reasonable expenses in accordance with the terms of the Engagement Agreement.

30. Additionally, under the terms of the Engagement Agreement, the Debtors have agreed to indemnify, defend and hold harmless Prime Clerk and its members, officers, employees, representatives and agents under certain circumstances specified in the Engagement Agreement, except in circumstances arising solely from Prime Clerk's gross negligence or willful misconduct or as otherwise provided in the Engagement Agreement. I believe that such an indemnification obligations is customary, reasonable and necessary to retain the services of an Administrative Advisor in the US Proceedings.

31. The US Court found that the granting the Administrative Advisor Order is in the best interests of the Debtors, their estates, creditors and all parties in interest and that the legal and factual bases set forth in the related application established just cause for the relief granted in the Administrative Advisor Order.

32. Pursuant to their role, Prime Clerk will interact with Canadian creditors through solicitation, balloting and tabulation of votes of a plan of arrangement (a "**Plan**"), if any, and will submit declarations in support of voting on any Plan, and so on. As such, the recognition of the Administrative Advisor Order in Canada is appropriate.

The A&M Retention Order

33. On June 13, 2018, the US Court made the A&M Retention Order, which provides for, among other things, the following relief:

- (a) authorizing the Debtors to retain A&M and Affiliates pursuant to the terms of the A&M Engagement Letter to provide the Debtors with an Interim CFO, Interim

COO and Additional Personnel, as needed to assist the Interim CFO and Interim COO;

- (b) designating Paul Kosturos as Interim CFO and Josh Jacobs as Interim COO to the Debtors effective, *nunc pro tunc*, as of the Filing Date, and
- (c) granting certain related relief.

34. In consideration of the size and complexity of the Debtors' businesses, as well as the exigencies of the circumstances, all as more fully described in the First Day Declaration, the Debtors have determined that the services of an experienced restructuring manager will substantially enhance their attempts to maximize the value of their estates. A&M and Affiliates possess extensive knowledge and expertise in the areas of bankruptcy and financial matters relevant to the US Proceedings, and are well qualified to serve as the Debtors' interim management service providers.

35. The Engagement Personnel specialize in interim management, turnaround consulting, operational due diligence, creditor advisory services, and financial and operational restructuring. A&M and Affiliates' debtor advisory services have included a wide range of activities targeted at stabilizing and improving a company's financial position, including (i) developing or validating forecasts and business plans and related assessments of a business's strategic position, (ii) monitoring and managing cash, cash flow and supplier relationships, (iii) assessing and recommending cost reduction strategies, and (iv) designing and negotiating financial restructuring packages.

36. The US Court determined that the granting of the A&M Retention Order is in the best interests of the Debtors, their estates, creditors and all parties in interest and that the legal and factual bases set forth in the related application established just cause for the relief granted in the A&M Retention Order.

37. The recognition of the A&M Retention Order in Canada is appropriate for the same reasons set out in paragraph 35 as A&M and Affiliates have been working with Houlihan in its sale, restructuring and realization efforts and have been providing services to all Debtors in connection with their role.

The Consultant Retention Order

38. On June 13, 2018, the US Court granted the Consultant Retention Order, which provided for, among other things, the following relief:

- (a) authorizing the retention and employment of HYPERAMS, LLC as the Debtors' Consultant, *nunc pro tunc*, to the Effective Date; and
- (b) modifying certain reporting requirements under the Local Rules.

39. In connection with the Store Closing Sales, as set out in the Store Closing Sales Order, the Debtors seek the assistance of the Consultant to efficiently manage the Store Closing Sales in accordance with the Store Closing Sale Guidelines and maximize the value returned from the North American Retail Assets. At the time the Debtors filed the store closing motion, the Debtors had not engaged a liquidation consultant or agent, as the Debtors have considerable in-house experience in operating these types of sales. However, the Debtors have determined that it is in the best interests of their estates to retain a professional liquidation consultant to advise and assist the Debtors in the management and direction of the Store Closing Sales. The Debtors' search for a liquidation consultant focused on retaining a consultant that, in the Debtors' business judgment, will provide added value to the Store Closing Sales, without adding unnecessary expenses in connection therewith. Consistent with this approach, the Debtors' discussions culminated in entering into the consulting agreement dated as of May 25, 2018, between the Consultant and Rockport (the "**Consulting Agreement**"), a copy of which is attached as Exhibit 1 to the Consultant Retention Order, to provide liquidation consulting services for the Store Closing Sales.

40. The US Court found that the relief sought by the Consultant Retention Order is in the best interests of the Debtors, their estates and the creditors, and all parties in interest.

The Final Shippers and Warehousemen Order

41. On June 13, 2018, the US Court made the Final Shippers and Warehousemen Order, which authorizes (but does not direct) the Rockport Group to, in their sole discretion, pay all or a portion of certain accrued pre-Petition shipping and warehousing claims and certain pre-Petition

import charges. The Rockport Group sought this order to ensure its supply of inventory and other goods would not be interrupted. The Final Shippers and Warehousemen Order grants on a final basis, substantially the same relief granted on an interim basis in the Shippers and Warehousemen Order (as defined in the First Kosturos Affidavit), with the modifications outlined in the supplement filed by the Debtors on June 7, 2018 (the “**Supplement to the Shippers and Warehousemen Motion**”). The Supplement to the Shippers and Warehousemen Motion was filed to:

- (a) inform all parties in interest of the inadvertent payment by the U.S. Customs and Border Protection (“**USCBP**”) in excess of the import charges cap provided for in the Interim Shippers and Warehousemen Order in the amount of US\$300,000.00 (the “**Import Charges Cap**”) in order to satisfy the accrued import charges in an amount of approximately US\$435,000.00 (the “**Import Charges Payment**”);
- (b) modify the final relief requested in this motion with respect to the import charges to increase the Import Charges Cap to include the Import Charges Payment; and
- (c) modify the final relief requested in this motion to seek authority to pay the prepetition amounts due to USCBP for the year 2017 in connection with the annual reconciliation by the debtors of any import charges due to USCBP and payment as a result of any underpayment with interest in the amount of US\$275,000.00.

42. In making the Final Shippers and Warehousemen Order, the US Court was satisfied that it is necessary for the Rockport Group to be allowed to pay certain shippers and warehousemen for charges incurred in connection with the transport of goods, so that such shippers or warehousemen do not assert possessory liens against any of the Rockport Group’s merchandise or otherwise refuse to release such merchandise pending receipt of payment, which would disrupt the Rockport Group’s operations and potentially cause substantial delays, great expense and irreparable harm to the Rockport Group’s estates.

43. The US Court was further satisfied in making the Final Shippers and Warehousemen Order that it is necessary for the Rockport Group to be allowed to pay certain import charges

(including, but not limited to, customs duties, detention and demurrage fees, tariffs, excise taxes and other similar obligations) on merchandise delivered from foreign countries as non-payment could cause substantial delays, great expense and irreparable harm to the Rockport Group's estates. In exchange for the payments pursuant to this Order, the recipients are to provide service in the ordinary course.

44. Rockport Blocker seeks recognition of the Final Shippers and Warehousemen Order from the Canadian Court and submits that such recognition is necessary to ensure consistency in the treatment of these payments between these proceedings and the US Proceedings.

The Final Critical and Foreign Vendors Order

45. Pursuant to the Final Critical and Foreign Vendors Order entered by the US Court on June 12, 2018 on an uncontested basis, the US Court authorized the Rockport Group to pay pre-Petition obligations to (i) certain critical vendors up to the Critical Vendor Claims Cap (as defined in the First Day Declaration) and (ii) certain foreign vendors up to the Foreign Vendor Claims Cap (as defined in the First Day Declaration). The Rockport Group sought this order to ensure its critical and foreign vendors would continue to supply necessary merchandise to the group. In particular, the Rockport Group was concerned that foreign vendors may not consider themselves bound by the US Proceedings without a specific order. The Final Critical and Foreign Vendors Order grants on a final basis substantially the same relief granted on an interim basis in the Critical and Foreign Vendors Order (as defined in the First Kosturos Affidavit).

46. In making the Final Critical and Foreign Vendors Order, the US Court was satisfied that the Final Critical and Foreign Vendors Order was necessary to ensure that certain critical and foreign vendors integral to sourcing and manufacturing all of the Rockport Group's merchandise do not disregard the automatic stay and engage in conduct disruptive to the Rockport Group's operations, potentially jeopardizing its continued efforts to facilitate an asset purchase. In exchange for the payments pursuant to this Order, the recipients are to provide service in the ordinary course.

47. Rockport Blocker seeks recognition of the Final Critical and Foreign Vendors Order from the Canadian Court and submits that such recognition is necessary to ensure there is no disruption to the Rockport Group's global sourcing and manufacturing network.

The Final Taxes Order

48. Pursuant to the Final Taxes Order entered by the US Court on June 12, 2018 on an uncontested basis, the US Court authorized the Rockport Group, in its discretion, to pay certain taxes and fees (defined as in the Taxes Order as Covered Taxes and Fees). The Covered Taxes and Fees include income taxes, sales and use taxes, employment taxes, business taxes and property taxes. I believe that many of the Covered Taxes and Fees were collected before the Petitions and must be paid over to the relevant taxing authority and that a failure to do so would result in priority liens. The Final Taxes Order applies to Canadian taxation authorities, including with respect to sales taxes. The Final Taxes Order grants on a final basis substantially the same relief granted on an interim basis in the Taxes Order (as defined in the First Kosturos Affidavit), with the cap on foreign vendors increasing from US\$12 million to US\$20 million.

49. In making the Final Taxes Order, the US Court determined that it was appropriate and necessary for the Rockport Group to have discretion to pay pre-Petition and post-Petition taxes and fees to facilitate its continued operations and avoid potential disruptions to the Rockport Group's operations, including interruptions to necessary permits and distracting the efforts of critical employees.

50. Rockport Blocker seeks recognition of the Final Taxes Order from the Canadian Court, and submits that such recognition is necessary to ensure the efficient and consistent administration of the Rockport Group's operations. Rockport Blocker also seeks recognition of the Taxes Order from the Canadian Court to ensure that Canadian taxation authorities are treated consistently with those in the US.

The Final Insurance Order

51. The US Court entered, on an uncontested basis, the Final Insurance Order on June 12, 2018, which authorizes the Rockport Group to continue and renew certain insurance programs, including premium financing and surety bond programs. The Final Insurance Order also modified the automatic stay under Section 362 of the US Code, to allow the Rockport Group's employees to proceed with any claims they may have under workers' compensation insurance coverage (the "**Workers' Compensation Program**") maintained by the Rockport Group. The Final Insurance Order grants on a final basis substantially the same relief granted on an interim basis in the Insurance Order (as defined in the First Kosturos Affidavit).

52. In making the Final Insurance Order, the US Court was satisfied that all of the insurance programs covered by the Final Insurance Order are essential to the ongoing operation of the Rockport Group's businesses and the preservation of the value of the Rockport Group's estates.

53. Rockport Blocker seeks recognition of the Final Insurance Order from the Canadian Court and submits that such recognition is necessary to ensure consistency of the insurance coverage between the US Debtors and Rockport Canada.

The Final Wages Order

54. The US Court entered the Final Wages Order on June 12, 2018 on an uncontested basis, authorizing the Rockport Group to, *inter alia*, pay pre-Petition wages and other amounts owed to its employees and claims of independent contractors, to continue all employee benefit programs and to pay all withholding obligations, as such obligations are due. The Final Wages Order grants on a final basis substantially the same relief granted on an interim basis in the Wages Order (as defined in the First Kosturos Affidavit).

55. In granting the Final Wages Order, the US Court was satisfied that the failure to make payments for these obligations to the Rockport Group employees (and for withholdings related to those employees) and claims of independent contractors would threaten the Rockport Group's ability to operate and its efforts to facilitate the entry into an asset purchase agreement. The US Court was further satisfied that authorizing the payment of these amounts was a sound exercise of the Rockport Group's business judgment.

56. Rockport Blocker seeks recognition of the Final Wages Order from the Canadian Court to ensure that all Rockport Group employees, independent contractors and government entities receiving withholdings are treated consistently.

The Final Utilities Order

57. Pursuant to the Final Utilities Order entered by the US Court on June 12, 2018 on an uncontested basis, the US Court approved adequate assurance of payment for certain utility providers, establishing procedures for resolving claims by utility providers and prohibited the utility providers from terminating service solely on the basis of the commencement of the US Proceedings. The utilities providers include those supplying gas, electricity, phone and internet services. The Final Utilities Order includes 17 Canadian utilities providers. The Final Utilities Order grants on a final basis substantially the same relief granted on an interim basis in the Utilities Order (as defined in the First Kosturos Affidavit).

58. In making the Final Utilities Order, the US Court was satisfied that continued service was reasonable, appropriate and necessary to maintain the Rockport Group's operations while it continues its efforts to enter into an asset purchase agreement.

59. Rockport Blocker seeks the recognition of the Final Utilities Order from this Court and submits that such recognition is necessary to ensure consistency between these proceedings and the US Proceedings. Rockport Blocker also seeks recognition of the Final Utilities Order from this Court to ensure Canadian utilities providers are treated consistently with the US utilities providers.

The Final Cash Management Order

60. The US Court entered the Final Cash Management Order on June 12, 2018 on an uncontested basis, which authorizes the Rockport Group to continue to operate its existing cash management system (including its existing bank accounts), to maintain its existing business forms (such as cheques), and to continue to perform intercompany transactions consistent with past practice, subject to the Permitted Rockport Canada Intercompany Transactions (as defined below). The intercompany transactions include payments between Rockport and Rockport Canada and payments between Rockport and other foreign affiliates. The Final Cash

Management Order grants on a final basis substantially the same relief granted on an interim basis in the Cash Management Order (as defined in the First Kosturos Affidavit).

61. Intercompany transactions regularly occur between Rockport and Rockport Canada when funds are transferred between those entities as necessary, including, but not limited to, transfers as a result of the Rockport's sale of merchandise to Rockport Canada. Following the Petition Date, Rockport Canada continued to transfer funds to Rockport on account of (i) merchandise purchased postpetition from Rockport, as necessary for Rockport Canada's ongoing operations and (ii) postpetition back-office services provided by Rockport (the "**Permitted Rockport Canada Intercompany Transactions**"). Other than the Permitted Rockport Canada Intercompany Transactions, following the Petition Date, Rockport Canada has not transferred funds to Rockport on account of any prepetition intercompany transactions, unless otherwise ordered by the US Court.

62. In granting the Final Cash Management Order, the US Court was satisfied that the existing system, subject to the Permitted Rockport Canada Intercompany Transactions, was essential to the Rockport Group's ongoing operations in order to maximize value in its sale efforts and that there would be no prejudice to the Rockport Group continuing to use pre-printed business forms without modification to identify the members of the Rockport Group as debtors in possession.

63. The US Court was also satisfied that the intercompany transactions, subject to the Permitted Rockport Canada Intercompany Transactions, should continue because the system enables the Rockport Group to efficiently monitor and control their cash position and maintain control over Intercompany Transactions (as defined in the First Day Declaration). The continued use of the cash management system in such manner during the pendency of the US Proceedings is essential to the Rockport Group's business operations and their goal of maximizing value for the benefit of all parties in interest. In making the Final Cash Management Order, the US Court was further satisfied that the Cash Management Order was necessary to avoid irreparable harm and is in the best interests of the Rockport Group's estates and their creditors and all other parties in interest.

64. Rockport Blocker seeks recognition of the Final Cash Management Order from the

Canadian Court to ensure that the Rockport Group finances, which are highly integrated, can continue in the ordinary course, subject to the Permitted Rockport Canada Intercompany Transactions, and to ensure the efficient administration of the Rockport Group, as it works to facilitate the entry into an asset purchase agreement.

65. This Affidavit is sworn in support of a motion brought by the Foreign Representative for the relief set out in paragraph 14 of this Affidavit and for no other or improper purpose.

SWORN BEFORE ME at the City of)
Wilmington, in the State of Delaware,)
this 13th day of June, 2018)

Lesley A. Morris

A Notary Public in and for the State of Delaware)

Paul Kosturos

PAUL KOSTUROS



IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF ROCKPORT BLOCKER, LLC, THE ROCKPORT GROUP HOLDINGS, LLC, TRG 1-P HOLDINGS, LLC, TRG INTERMEDIATE HOLDINGS, LLC, TRG CLASS D, LLC, THE ROCKPORT GROUP, LLC, THE ROCKPORT COMPANY, LLC, DRYDOCK FOOTWEAR, LLC, DD MANAGEMENT SERVICES LLC AND ROCKPORT CANADA ULC (THE "DEBTORS")

APPLICATION OF ROCKPORT BLOCKER, LLC, UNDER SECTION 46 OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

ONTARIO

**SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

PROCEEDINGS COMMENCED AT TORONTO

**AFFIDAVIT OF PAUL KOSTUROS
(Sworn June 13, 2018)**

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Tab A

THIS IS EXHIBIT "A" TO THE AFFIDAVIT
OF PAUL KOSTUROS SWORN BEFORE ME

ON THIS 13TH DAY OF JUNE, 2018

Lesley A. Morris

A Notary Public in and for the State of Delaware



**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-_____ ()
)	
Debtors. ¹	)	Joint Administration Requested
)	
)	

**DECLARATION OF PAUL KOSTUROS IN SUPPORT
OF DEBTORS’ CHAPTER 11 PETITIONS AND FIRST DAY MOTIONS**

Under 28 U.S.C. § 1764, I, Paul Kosturos, declare as follows under the penalty of perjury:

1. I am the Interim Chief Financial Officer (“**Interim CFO**”) of The Rockport Company, LLC (“**Rockport**”), a Delaware limited liability company, and its affiliates (collectively the “**Debtors**”) in the above-captioned Chapter 11 cases (the “**Chapter 11 Cases**”), and a Senior Director of Alvarez & Marsal Private Equity Services Operations Group, LLC (“**A&M**”). I am authorized to submit this declaration (the “**First Day Declaration**”) on behalf of the Debtors.

2. In March 2017, A&M was retained by the Debtors to provide certain information technology consulting services. A&M’s retention was later expanded whereby A&M made certain personnel available to perform interim management services for the Debtors. Pursuant to

¹ 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.

the expansion of A&M's retention, I was appointed Interim CFO of Rockport and I have served in that role since August 1, 2017.

3. I have more than twenty years of experience in finance and accounting and have advised companies across a diverse range of industries. I have assisted clients both in and outside of Chapter 11, designed and evaluated financing packages and presentations to various types of lenders and equity investors and acted as financial advisor to boards of directors and/or principal shareholders in the purchase or sale of numerous businesses.

4. I am generally familiar with the Debtors' business, day-to-day operations, financial matters, results of operations, cash flows, and underlying books and records. All facts set forth in this First Day Declaration are based upon my personal knowledge of the Debtors' business, operations, and related financial information gathered from my review of their books and records, relevant documents, and information supplied to me by members of the Debtors' management team and advisors. If called to testify, I could and would testify competently to the facts set forth in this First Day Declaration.

5. On the date hereof (the "**Petition Date**"), each of the Debtors filed a voluntary petition for relief in the United States Bankruptcy Court for the District of Delaware (the "**Court**"). The purpose of these Chapter 11 Cases is to facilitate the entry into an asset purchase agreement to sell substantially all of the Debtors' assets to CB Marathon Opco, LLC ("**Marathon**"), an affiliate of Charlesbank Equity Fund IX, Limited Partnership, or another higher or otherwise better bidder pursuant to Section 363 of the Bankruptcy Code (the "**Sale**"). Filed concurrently herewith is the Debtors' *Motion of Debtors for Entry of Orders (I)(A) Approving Bidding Procedures for Sale of Substantially All of the Debtors' Assets, (B) Approving Stalking Horse Bid Protections, (C) Scheduling Auction for, and Hearing to Approve,*

Sale of Substantially all of the Debtors' Assets, (D) Approving Form and Manner of Notice of Sale, Auction and Sale Hearing, (E) Approving Assumption and Assignment Procedures and (F) Granting Related Relief; and (II)(A) Approving Sale of Substantially all of the Debtors' Assets Free and Clear of All Liens, Claims, Interests and Encumbrances, (B) Approving Assumption and Assignment of Executory Contracts and Unexpired Leases and (C) Granting Related Relief (the "Sale Motion").

6. I submit this First Day Declaration on behalf of the Debtors in support of the Debtors' (a) voluntary petitions for relief that were filed under Chapter 11 of the Bankruptcy Code and (b) "first day" motions, which are being filed concurrently herewith (collectively, the "**First Day Motions**").² The Debtors seek the relief set forth in the First Day Motions to minimize the adverse effects caused by the commencement of these Chapter 11 Cases on their business so as to preserve the business pending the Sale. I have reviewed the Debtors' petitions and the First Day Motions, or have otherwise had their contents explained to me, and it is my belief that the relief sought therein is essential to ensure the uninterrupted operation of the Debtors' business and to successfully maximize the value of the Debtors' estates.

7. Part I of this First Day Declaration provides an overview of the Debtors' business, capital structure, and significant prepetition indebtedness, as well as a discussion of the Debtors' financial performance and the events leading to the Debtors' Chapter 11 Cases. Part II sets forth a summary of the relief requested in the First Day Motion and the relevant facts in support thereof.

² Unless otherwise defined herein, all capitalized terms shall have the meanings ascribed to them in the applicable First Day Motion.

PART I

A. General Background

8. Founded in 1971 and headquartered in West Newton, Massachusetts, the Debtors are a leading global designer, distributor, and retailer of comfort footwear in more than fifty markets worldwide. The Debtors offer a wide array of men's and women's casual and dress style shoes, boots, and sandals, under their namesake Rockport brand and their owned Aravon and Dunham brands. The Debtors' Rockport brand is recognized as a global leader in lightweight, technology-infused comfort footwear for all occasions. The Debtors also offer premium footwear for comfort-conscious customers through their women's-oriented Aravon and outdoor-inspired Dunham brands. The Debtors' comprehensive assortment of footwear products incorporates industry-leading sports technology to provide customers with superior comfort without compromising style.

9. The footwear business is highly competitive, and the Debtors' business accounts for a fraction of the total market for men's and women's footwear. The Debtors' compete with other footwear retailers and wholesalers, including department stores, online retailers, manufacturer-owned factory outlet stores and other retail and wholesale outlets. At various times of the year, department store chains, specialty shops, and online retailers offer brand-name merchandise at substantial markdowns which further intensifies the competitive nature of the industry.

10. The Debtors' business in the United States is operated by Rockport, and the Debtors' Canadian business is operated by Debtor Rockport Canada ULC, a British Columbia unlimited liability company ("**Rockport Canada**"). Rockport Canada is a wholly-owned subsidiary of Rockport, all material decisions regarding Rockport Canada and its operations are made by Rockport personnel in the United States, and substantially all of its books and records

are located in the United States. As a result of these and other factors, the Debtors believe that the center of main interest for Rockport Canada is in the United States. As explained in greater detail in Part II below, in addition to these Chapter 11 Cases, the Debtors anticipate commencing an ancillary proceeding under Part IV of the Companies' Creditors Arrangement Act (Canada) in Toronto, Ontario, Canada before the Ontario Superior Court of Justice (Commercial List) (the "Canadian Court").

B. The Debtors' Business

11. The Debtors operate a global, multi-channel business, organized by brand, geography and customer type, consisting of the following segments:

- i. Wholesale Business.** The Debtors are a leading supplier of men's and women's footwear to well-known retailers across a variety of wholesale formats, including department stores, family retail outlets, internet retailers, and independently-owned retailers. The Debtors' wholesale business accounts for approximately 57% of all global sales. In North America, the Debtors' Rockport-branded products are sold through two primary wholesale channels: (a) key accounts (department stores, family retail outlets, and internet retailers) and (b) specialty accounts (independently-owned retailers). International sales of the Debtors' Rockport-branded products are led by dedicated personnel in each location. The Debtors' Aravon- and Dunham-branded products are sold only through department stores, internet retailers, and independently-owned retailers.³
- ii. Direct North American Retail Store Business.** The Debtors operate eight (8) full-price and nineteen (19) outlet stores in the United States and fourteen (14) full-price and nineteen (19) outlet stores in Canada.
- iii. Direct eCommerce Business.** The Debtors sell their footwear products directly through their websites (<http://www.rockport.com> and <http://www.rockport.ca>). This channel gives the Debtors an ideal medium to engage directly with new and existing customers.
- iv. International Business.** The Debtors use a distributor model to leverage their global brand in foreign markets without having to establish local operations. Currently, the Debtors are partnered with twenty-two (22) distributors

³ The Debtors' Dunham brand is sold in the United States and Canada, and their Aravon brand is sold only in the United States.

worldwide to sell their products in thirty-five countries, including China, Indonesia, Egypt, South Africa, Mexico, and Peru. In addition to this distributor model, certain of the Debtors' non-debtor foreign affiliates (the "**Foreign Affiliates**") operate approximately 121 retail stores around the world.

12. In the ordinary course of their business, the Debtors source their inventory, merchandise, and other materials related to their ongoing operations (collectively, the "**Merchandise**") from third-party manufacturers (the "**Vendors**") located outside of the United States—primarily (but not exclusively) in mainland China, but also in Vietnam, India, and Brazil. To that end, the Debtors rely on certain of their Foreign Affiliates to ensure the timely production and delivery of Merchandise for sale by the Debtors and other Foreign Affiliates. In addition, the Debtors rely on their global network of common carriers, expeditors, consolidators, warehousemen and transportation service providers, and other related parties to transport, import, and take delivery of Merchandise in a timely fashion and on a worldwide basis.

13. In particular, the Debtors rely on warehouseman and logistics providers to (i) coordinate and process various import duties and related charges at ports or transportation centers around the world and (ii) transport and store Merchandise at the Debtors' warehousing and distribution centers located in the United States in Rancho Cucamonga, California and Cincinnati, Ohio, and internationally in Brampton, Ontario, Lisbon, Portugal, Incheon, Korea, and Tokyo, Japan.

C. Organizational Structure

14. A detailed organizational chart depicting the ownership structure of the Debtors and their Foreign Affiliates is attached hereto as Exhibit A. Rockport Blocker, LLC, a Delaware limited liability company ("**Blocker**"), is the ultimate parent of each of the other Debtors and their Foreign Affiliates. A list of the unitholders for each Debtor is attached to each of the Chapter 11 petitions.

D. The 2015 and 2017 Transactions

15. In 2015, Reebok International Ltd. (“**Reebok**”), a subsidiary of adidas AG (“**Adidas**”), engaged in a sale transaction (the “**2015 Transaction**”) with Berkshire Partners LLC (“**Berkshire**”) and New Balance Holding, Inc. (“**New Balance**”). Pursuant to the 2015 Transaction, Reebok sold its Rockport division to Debtor The Rockport Group, LLC (“**TRG**”), an entity formed by Berkshire and New Balance, and New Balance contributed its owned brands, Cobb Hill, Aravon, and Dunham, to TRG.

16. At the time of the 2015 Transaction, the Debtors’ operations were deeply integrated with Adidas’ global logistics and information technology networks (the “**Adidas Networks**”). As a result of this integration, TRG and Adidas agreed to separate the Debtors’ operations from the Adidas Networks over a two-year period (the “**Transition Period**”). During the Transition Period, the Debtors relied on the Adidas Networks in the ordinary course of their business consistent with certain transition and management agreements entered into by TRG and Adidas.

17. In late 2017, Berkshire and New Balance sold 100% of their interests in the Debtors to the Prepetition Noteholders (as defined herein) (the “**2017 Transaction**”). In connection with the closing of the 2017 Transaction, in December 2017, the Prepetition Noteholders appointed William Allen, Matthew Sheahan, and Michael LeRoy as independent directors (the “**Independent Directors**”) of Blocker. Shortly after their appointment, the Independent Directors approved the Debtors’ retention of independent advisors to explore and evaluate a potential value-maximizing Sale of the Assets (as defined herein).

E. Prepetition Capital Structure

18. In connection with the 2015 Transaction, certain of the Debtors entered into the Prepetition ABL Credit Agreement, the Prepetition Notes Agreement, and the Prepetition

Subordinated Notes (each as defined herein). As of the Petition Date, the Debtors have total outstanding liabilities and other obligations of approximately \$287 million of funded indebtedness, comprised of approximately:

- \$57 million outstanding under the Prepetition ABL Facility (as defined herein);
- \$188.3 million outstanding under the Prepetition Notes Facility (as defined herein);
- \$11.9 million outstanding under the Prepetition Subordinated Notes; and
- \$29.6 million outstanding in trade debt.

19. A detailed discussion of the Debtors' capital structure, including their various debt obligations, is set forth below.

i. Prepetition ABL Facility

20. The Debtors' have outstanding secured debt to various lenders pursuant to that certain Revolving Credit Agreement,⁴ dated as of July 31, 2015 (as amended, supplemented, restated or otherwise modified from time to time, the "**Prepetition ABL Credit Agreement**"), among Rockport, TRG, Rockport Canada, TRG Class D, LLC ("**Class D**"), the Subsidiaries (as defined therein) of TRG from time to time, the Lenders (as defined therein) (the "**ABL Lenders**"), and Citizens Business Capital ("**Citizens**"), as administrative agent and collateral agent for the ABL Lenders (Citizens in such capacities, the "**ABL Administrative Agent**" and, together with the ABL Lenders, the "**ABL Secured Parties**"). The Prepetition ABL Credit Agreement provides for, among other things, up to \$60,000,000.00 in aggregate principal amount of revolving loan commitments, including letter of credit and swingline loan

⁴ Any summary of an agreement in this First Day Declaration is qualified in its entirety by the terms of that agreement.

commitments, with a sublimit for letters of credit of \$10,000,000.00 (collectively, the “**Prepetition ABL Facility**”).

21. As of the Petition Date, the aggregate outstanding amount owed by the Debtors under the Prepetition ABL Facility is not less than \$53,425,436.95, plus \$3,550,000.00 of issued and outstanding letters of credit (collectively, together with any costs and other charges or amounts paid, incurred or accrued prior to the Petition Date in accordance with the Prepetition ABL Facility, and further including all “Obligations” as described in the Prepetition ABL Facility, including all obligations with respect to cash management services and bank products, and all interest, fees, costs and other charges allowable under Section 506(b) of the Bankruptcy Code, the “**Prepetition ABL Obligations**”). The Debtors, including Rockport Canada, are jointly and severally liable for the Prepetition ABL Obligations, and such obligations are secured by a first priority lien on the Revolving Priority Collateral (as defined in the Intercreditor Agreement) (as defined in the Prepetition ABL Credit Agreement)⁵) and a second priority lien on

⁵ The term “**Revolving Priority Collateral**” as defined in the Intercreditor Agreement means all Collateral consisting of the following:

- (1) all Inventory;
- (2) all Revolving Accounts Collateral;
- (3) to the extent evidencing or governing any of the items referred to in the preceding clauses (1) and (2), all Documents, General Intangibles (other than Intellectual Property and equity interests of Subsidiaries of Rockport Group), Instruments (including, without limitation, Promissory Notes); provided, that to the extent any of the foregoing also relates to Note Priority Collateral, only that portion related to the items referred to in the preceding clauses (1) and (2) shall be included in the Revolving Priority Collateral;
- (4) to the extent evidencing or governing any of the items referred to in the preceding clauses (1) through (3), all Supporting Obligations; provided, that to the extent any of the foregoing also relates to Note Priority Collateral, only that portion related to the items referred to in the preceding clauses (1) through (3) shall be included in the Revolving Priority Collateral;
- (5) all books and Records relating to the foregoing (including without limitation all books, databases, customer lists and Records, whether tangible or electronic, which contain any information relating to any of the foregoing); and
- (6) all collateral security and guarantees with respect to any of the foregoing and all cash, Money, instruments, Chattel Paper, insurance proceeds, investment property, securities and financial assets to the extent received as proceeds of any Revolving Priority Collateral (“**Revolving Priority Proceeds**”); provided, however, that

the Note Priority Collateral (as defined in the Intercreditor Agreement)⁶, subject to the terms of the Intercreditor Agreement. The Revolving Priority Collateral includes substantially all of the assets of Rockport Canada, including without limitation, all accounts, goods, inventory, and all proceeds of Rockport Canada's assets.

22. Prior to the Petition Date, the Prepetition ABL Facility was used to fund the Debtors' daily operations. As such, the Debtors made daily requests to the ABL Administrative Agent to transfer available funds under the Prepetition ABL Facility into the Debtors' primary operating account held by Rockport. Rockport would then use such funds to fund the Debtors' global enterprise, including the Debtors' operations in Canada. Although Rockport Canada did not borrow any monies directly under the Prepetition ABL Facility, its assets were included in the facility's borrowing base and funds received under that facility were used to, among other things, purchase merchandise sold by Rockport Canada, pay wages, salaries and benefits of the Debtors' corporate employees and other general expenses of the Debtors' enterprise. Rockport

no proceeds of Revolving Priority Proceeds will constitute Revolving Priority Collateral unless such proceeds of Revolving Priority Proceeds would otherwise constitute Revolving Priority Collateral.

For the avoidance of doubt, under no circumstances shall Excluded Assets (as defined in the next succeeding sentence) be Revolving Priority Collateral. As used in this definition of "Revolving Priority Collateral," the term "Excluded Assets" shall have the meaning provided in the Revolving Credit Facility (if the Revolving Credit Facility is then in effect) or in the Revolving Collateral Documents relating thereto, or in any other Revolving Credit Agreement then in effect (if the Revolving Credit Facility is not then in effect) or in the Revolving Collateral Documents relating thereto.

⁶ The term "**Note Priority Collateral**" as defined in the Intercreditor Agreement means all of the Collateral excluding the Revolving Priority Collateral, including all real estate, Intellectual Property, equipment and equity interests of any Subsidiaries of any Credit Party, and all collateral security and guarantees with respect to any Note Priority Collateral and all cash, Money, Instruments, Securities and Financial Assets to the extent received as proceeds of any Note Priority Collateral; provided however, no proceeds of proceeds will constitute Note Priority Collateral unless such proceeds of proceeds would otherwise constitute Note Priority Collateral or are credited to the Asset Sales Proceeds Account. For the avoidance of doubt, under no circumstances shall any of the Revolving Canadian Collateral or Excluded Assets be Note Priority Collateral. As used in this definition of "Note Priority Collateral," "Excluded Assets" shall have the meaning provided in the Original Note Purchase Agreement (if the Original Note Purchase Agreement is then in effect) or in any other Note Purchase Agreement then in effect (if the Original Note Purchase Agreement is not then in effect) or the Note Collateral Documents relating thereto.

Canada's indirect access to the funding provided to the other Debtors under the Prepetition ABL Facility was critical to its ability to operate as a going concern prior to the Petition Date.

23. In addition, prior to the Petition Date, the Prepetition ABL Credit Agreement was amended six (6) times, most recently on May 7, 2018, to, among other things, waive certain defaults by certain of the Debtors under the Prepetition ABL Credit Agreement, modify certain financial reporting requirements, and implement milestones related to a potential Sale of the Assets (as defined herein) and repayment of the Prepetition ABL Obligations.

ii. Prepetition Notes Facility

24. Prior to the Petition Date, certain of the Debtors issued those certain Senior Secured Notes Due 2022 pursuant to that certain Note Purchase Agreement, dated as of July 31, 2015 (as amended, supplemented, restated or otherwise modified from time to time, the "**Prepetition Note Purchase Agreement**"), among Rockport, TRG, Class D, the Subsidiaries (as defined therein) of TRG from time to time, Cortland Capital Market Services LLC ("**Cortland**"), as collateral agent (Cortland in such capacity, the "**Collateral Agent**"), and the Purchasers (as defined therein) (the "**Prepetition Noteholders**" and together with the ABL Secured Parties, the "**Prepetition Secured Parties**"), in the original principal amount of \$130 million (together with all Senior Notes issued as payment in kind thereon, the "**Initial Prepetition Notes**"). Prior to the Petition Date, certain additional Senior Notes (together with all Senior Notes issued as payment in kind thereon, the "**Additional Prepetition Notes**" and, together with the Initial Prepetition Notes, the "**Prepetition Notes**") were issued to the Prepetition Noteholders by certain of the Debtors in an original principal amount of \$40,753,966.05 (together with the Initial Prepetition Notes, collectively, the "**Prepetition Notes Facility**" and, together with the Prepetition ABL Facility, the "**Prepetition Credit Facilities**"). The Additional Prepetition Notes are senior in right of payment to the Initial Prepetition Notes.

25. As of the Petition Date, the aggregate outstanding amount owed by the Debtors in respect of the Prepetition Notes is not less than \$188,253,357.91 (collectively, together with any costs and other charges or amounts paid, incurred or accrued prior to the Petition Date in accordance with the Prepetition Notes Facility, and further including all “Obligations” as described in the Prepetition Notes Facility, including all interest, fees, costs and other charges allowable under Section 506(b) of the Bankruptcy Code, the “**Prepetition Note Obligations**”). The Prepetition Note Obligations are secured by a first priority lien on the Note Priority Collateral, and a second priority lien on the Revolving Priority Collateral, subject to the terms of the Intercreditor Agreement.

26. Proceeds from the Initial Prepetition Notes were used to finance a portion of the 2015 Transaction, and proceeds from the Additional Prepetition Notes were used to provide the Debtors with additional liquidity and to fund day-to-day operations. Prior to the Petition Date, from time to time the Debtors would request that the Prepetition Noteholders purchase Additional Prepetition Notes. In response to such requests, the Prepetition Noteholders would then transfer available funds under the Prepetition Notes Facility into bank accounts operated by the Debtors.

27. Prior to the Petition Date, the Prepetition Noteholder Purchase Agreement was amended five (5) times, most recently on May 7, 2018, to, among other things, permit the issuance of the Additional Prepetition Notes, modify certain financial reporting requirements, and implement milestones related to a potential Sale of the Assets.

iii. Prepetition Subordinated Notes

28. As of the Petition Date, TRG has approximately \$11.9 million in contingent obligations under certain promissory notes (the “**Prepetition Subordinated Notes**”) issued by Reebok:

- that certain Unsecured Subordinated Promissory Note, dated as of July 31, 2015;
- that certain Unsecured Subordinated Contingent Promissory Note – Tranche A, dated as of July 31, 2015; and
- that certain Unsecured Subordinated Contingent Promissory Note – Tranche B, dated as of July 31, 2015.

29. The Prepetition Subordinated Notes are unsecured and subordinated to the Prepetition Credit Facilities pursuant to that certain Subordination Agreement, dated as of July 31, 2015, among TRG, Rockport, each of the other Loan Parties (as defined therein) from time to time, the ABL Administrative Agent, the Prepetition Noteholders, and Reebok.

iv. Trade Debt

30. As explained above, in the ordinary course of business, the Debtors source their Merchandise from Vendors located outside of the United States. As of the Petition Date, Debtors estimate that they owe approximately \$29.6 million in trade debt.

F. Events Leading Up to these Chapter 11 Cases

31. Over the last three years the Debtors have faced economic headwinds and operational challenges that significantly and adversely impacted the operating performance of the Debtors' footwear business, including:

- *A costly and time consuming separation from the Adidas Networks.* Separation of the Debtors' operations from the Adidas Networks was not completed until November 2017, and proved to be more complex, took meaningfully longer, and was significantly more expensive than planned. In addition, the Debtors encountered operational challenges during the initial development of their own logistics network that negatively impacted revenue. Ultimately, significant operational challenges and one-time costs associated with the Debtors' separation from the Adidas Networks contributed to the Debtors' tightening liquidity during the Transition Period.
- *Disruptive and costly supply chain interruption.* In October 2016, the Debtors experienced factory delivery delays due to the closure of three factories by certain of their foreign vendors. As a result, production of the Debtors' women's footwear program was relocated to other factories utilized by the

Debtors for production of their remaining footwear programs. The reallocation of factory resources disrupted the Debtors supply chain and resulted in significant shipment delays across multiple product lines shortly before the Fall 2017 season. In response to this disruption, the Debtors were forced to rely on more expensive expedited shipping methods in order to meet seasonal demands and minimize the delayed arrival of products to their customers.

- *Contract dispute with Expeditors and notice of default.* As explained above, the Debtors rely on warehouse and logistic providers to fulfill their distribution and warehousing needs in various locations throughout the world. To service the Debtors operations in the United States and Canada, Expeditors International of Washington, Inc. (“**Expeditors**”) operates distribution warehouse facilities in Rancho Cucamonga, California and Brampton, Canada. The parties’ relationship is governed by that certain Master Warehouse and Logistics Services Agreement, dated as of August 1, 2016 (including all statement of works related thereto, as amended, supplemented, restated or otherwise modified from time to time collectively, the “**Expeditors Agreement**”), between Rockport and Expeditors. Since execution of the Expeditors Agreement, the parties’ relationship has deteriorated, due largely to disputes over rates charged by Expeditors. On March 23, 2018, Expeditors sent a notice (the “**Default Notice**”) alleging that Rockport was in material breach of the Expeditors Agreement for failure to pay certain charges disputed by Rockport. Pursuant to the Default Notice, Expeditors indicated that it would terminate the Expeditors Agreement unless Rockport cured its alleged breach by paying the disputed amounts on or before May 7, 2018. In order to ensure product delivery to the Debtors’ customers and avoid irreparable harm to the Debtors’ as a result of the potential termination of the Expeditors Agreement, on May 4, 2018, the Debtors paid the disputed amounts under duress and protest, subject to the right of clawback in the future, and thereby cured this disputed default.
- *A number of stores acquired in the 2015 Transaction performed below expectations in a competitive retail market.* Over the last several years the Debtors have faced a highly promotional and competitive retail environment, underscored by a shift in customer preference for online shopping. In this unfavorable retail environment, many of the stores acquired by the Debtors in the 2015 Transaction (the “**Acquired Stores**”) performed below expectations. Moreover, the Acquired Stores were significantly impacted by the supply-chain disruption experienced by the Debtors in October 2016. The unfavorable performance of the Acquired Stores in the current retail environment has made it difficult for the Debtors to maintain sufficient liquidity and to operate their business outside of Chapter 11.

32. Given the Debtors’ tight liquidity position in the lead up to these Chapter 11 Cases, the Debtors approached the ABL Administrative Agent and the Prepetition Noteholders

on several occasions seeking amendments to the Prepetition ABL Credit Agreement and Prepetition Note Purchase Agreement to, among other things, obtain additional financing (as set forth in Section E above).

G. Prepetition Marketing Efforts and Objectives of the Sale Process

33. In December 2017, the Debtors retained Houlihan Lokey, Inc. (“**Houlihan**”)—an investment banker with expertise in mergers and acquisitions, recapitalization, and financial restructuring—to explore a potential sale of the Debtors’ assets (collectively, the “**Assets**”). As part of this effort, Houlihan began facilitating a robust marketing process for the potential purchase of all, or certain of, the Assets and contacted one hundred and ten (110) potential strategic and financial acquirers (collectively, the “**Interested Parties**”) to garner interest in pursuing such transaction.

34. Approximately sixty (60) Interested Parties executed a non-disclosure agreement to review certain confidential business and financial information of the Debtors, received a confidential information memorandum, and obtained access to an initial set of diligence materials in a data room. On or around January 12, 2018, Houlihan distributed a process letter to the remaining Interested Parties inviting such Interested Parties to submit initial, non-binding indications of interest (the “**Initial IOIs**”) by no later than February 6, 2018, at 5:00 p.m. (prevailing Eastern Time) (the “**Initial IOI Submission Deadline**”).

35. In all, Houlihan received Initial IOIs from ten (10) Interested Parties. Shortly after the Initial IOI Submission Deadline, a more comprehensive data room was made available to certain Interested Parties who submitted Initial IOIs. Of the ten (10) Interested Parties who submitted Initial IOIs, seven (7) Interested Parties were granted access to the data room and six (6) Interested Parties met with senior management of Rockport in person to review the opportunity and to ask any and all questions pertaining thereto.

36. On or about March 2, 2018, Houlihan requested that the six (6) Interested Parties that remained interested in pursuing a transaction submit their best and final letter of intent (each a “**Final Bid**”) for the Assets by March 29, 2018 at 12:00 p.m. (prevailing Eastern Time) (the “**Prepetition Bid Deadline**”). On March 7, 2018, Houlihan posted a form asset purchase agreement in the data room for review and comment by the Interested Parties in connection with submission of their Final Bid. Prior to the Prepetition Bid Deadline, three (3) Interested Parties submitted a Final Bid. On April 4, 2018, a fourth verbal bid (the “**Late Bid**,” and together with the Final Bids, the “**Bids**”) was received from an Interested Party.

37. After reviewing and carefully considering the Bids received from the four (4) Interested Parties, the Debtors determined, in consultation with their advisors, that Marathon (the “**Stalking Horse Bidder**”) had submitted the highest or otherwise best offer, pursuant to which the Stalking Horse Bidder agreed to acquire substantially all of the Assets (other than the Debtors’ North American retail assets (the “**North American Retail Assets**”))⁷ for a purchase price of (i) \$150 million in cash subject to certain working capital adjustments plus the NAM Store Inventory Amount; (ii) a warrant to purchase up to 5% of common equity of the indirect parent of the Stalking Horse Bidder once the Stalking Horse Bidder receives a return equal to 2.5 times its initial equity investment as of the Closing Date (as defined in the Stalking Horse Agreement); and (iii) the assumption of certain liabilities (collectively, the “**Stalking Horse Bid**”).

⁷ As set forth in the Sale Motion, pursuant to the Stalking Horse Agreement (as defined herein), the Stalking Horse Bidder is still considering whether to purchase any portion of the North American Retail Assets. The Stalking Horse Agreement currently identifies the North American Retail Assets as “Excluded Asset;” provided, however, that section 8.4 of the Stalking Horse Agreement provides for a twenty-five (25) day “No Liquidation Period” following the Petition Date during which the Debtors may not sell retail inventory other than in the ordinary course of business. The “No Liquidation Period” is intended to provide the Stalking Horse Bidder with an opportunity to further consider the acquisition of any North American Retail Assets (*i.e.*, the Debtors’ retail leases and related inventory in the United States and Canada) prior to the Debtors commencing any Store Closing Sales (as defined herein).

38. Thereafter, the Debtors, in consultation with their advisors, determined to pursue the Stalking Horse Bid for the Assets, subject to definitive documentation. To this end, after good faith, arm's-length negotiations between the parties and in consultation with their advisors and key stakeholders, the Debtors and the Stalking Horse Bidder entered into that certain Asset Purchase Agreement, dated as of May 13, 2018 (the "**Stalking Horse Agreement**"), pursuant to which the Stalking Horse Bidder will acquire the Purchased Assets (as defined in the Stalking Horse Agreement), subject to higher or otherwise better offers.

39. Contemporaneously herewith the Debtors filed the Sale Motion seeking, among other things: (i) entry of an order (a) establishing bidding and auction procedures (the "**Bidding Procedures**") in connection with the sale of the Assets, (b) approving proposed bid protections, including the payment of a break-up fee in an amount equal to 3 percent (3%) of the Base Cash Amount (as defined in the Stalking Horse Agreement) (*i.e.*, \$4,500,000.00) and (b) reimbursement of up to \$2,000,000.00 for reasonable and documented costs and expenses incurred by the Stalking Horse Bidder in connection with, among other things, the negotiation and execution of, and the carrying out of its obligations under, the Stalking Horse Agreement, (c) scheduling an auction (the "**Auction**") and setting a date and time for the sale hearing (the "**Sale Hearing**") and (d) establishing procedures for noticing and determining cure amounts for contracts and leases to be assumed and assigned in connection with the Sale transaction; and (ii) at the Sale Hearing, subject to the results of the Auction, the entry of an order (a) approving and authorizing a sale to the winning bidder, (b) authorizing the assumption and assignment of certain contracts and leases and (c) authorizing the Debtors to enter into a transition services agreement as contemplated by the Stalking Horse Agreement.

40. Given the Debtors' extensive prepetition marketing efforts and the significant information compiled in the schedules to the Stalking Horse Agreement, the Sale Motion requests the following timeline:

On or before June 4, 2018	Hearing to consider approval of the Bidding Procedures and entry of the Bidding Procedures Order
June 27, 2018 at 4:00 p.m. (prevailing Eastern Time)	Sale Objection Deadline
June 29, 2018 at 5:00 p.m. (prevailing Eastern Time)	Bid Deadline
July 3, 2018 at 5:00 p.m. (prevailing Eastern Time)	Deadline for Debtors to notify Potential Bidders of their status as Qualified Bidders
July 10, 2018 at 10:00 a.m. (prevailing Eastern Time)	Auction to be held at the offices of Richard, Layton & Finger, P.A. (if necessary)
July 11, 2018	Target date for the Debtors to file with the Court the Notice of Auction Results
July 13, 2018	Proposed date of the Sale Hearing to consider approval of Sale and entry of Sale Order
On or after July 27, 2018	Closing Date (Unless Successful Bidder agrees to waive the 14-day stay of Sale Order)

41. The Bidding Procedures, including the proposed timeline, are designed to maximize the value received for the Assets and to facilitate a fair and open process in which all interested bidders may participate. The Debtors believe that the proposed timeline is sufficient to complete a fair and open sale process that will maximize the value received for the Assets in light of Debtors' robust prepetition marketing efforts. Indeed, the most likely competing bidders are among those who previously submitted a Bid. Thus, these parties need minimal time to submit competing bids. If new bidders emerge, the proposed timeline will provide them with sufficient time to perform due diligence given that the process is well understood at this juncture and bidders can utilize the Stalking Horse Agreement and its schedules as a template upon which to base their bids. Accordingly, the Debtors believe that the schedule is sufficient, while respecting the necessity to consummate the Sale as quickly as possible to maximize the value received for the Assets.

42. Further, upon entry of the Bidding Procedures Order (as defined in the Sale Motion), and in compliance with Section 7.1 of the Stalking Horse Agreement, the Debtors will continue to market and solicit offers for all or a portion of the Assets to a wide range of potential purchasers and will work diligently with all parties that have expressed an interest in the Assets to date.⁸ In this way, the Debtors intend to maximize (i) the number of participants in the sale process and (ii) the value of the Assets.

43. As set forth above, the Debtors have determined that value will be maximized by commencing these Chapter 11 Cases and continuing an orderly sale process. While the prepetition solicitation process already was extensive, the commencement of these Chapter 11 Cases and the implementation of a Court supervised sale process allows other bidders to make competing bids and maximize the value of their estates for the benefit of the Debtors' stakeholders.

44. A sale pursuant to Section 363 of the Bankruptcy Code is the most appropriate course of action for the Debtors. As set forth above, if the proposed Sale is consummated, the Stalking Horse Bidder will purchase substantially all of the Assets, including any North American Retail Assets it chooses to acquire. The Debtors have adequate financial and human resources to maintain their business as a going concern throughout these Chapter 11 Cases in order to maximize value for their estates and creditors. The proposed sale process will allow the Debtors to maintain their day-to-day operations with their customers with very little, if any,

⁸ Specifically, upon execution of Stalking Horse Agreement and until the earlier of (i) twenty-five (25) days from the Petition Date or (ii) entry of the Bidding Procedures Order, the Debtors agreed to pause the active solicitation of the Assets. During this period, however, the Debtors may provide all information provided to the Stalking Horse Bidder to those twelve (12) or less parties who entered into confidentiality agreements and provided either a written or oral indication of interest to the Debtors consistent with Section 7.1(b) of the Stalking Horse Agreement and engage in discussions with such parties with respect to such information (but may not engage in negotiations for or knowingly encourage an Acquisition Proposal with such parties). Upon the earlier of (i) twenty-five (25) days from the Petition Date or (ii) entry of the Bidding Procedures Order, there is no restriction on the Debtors' ability to solicit bids for and market the Assets.

disruptions. In the absence of a sale transaction conducted in accordance with such timeline, the Debtors face deterioration in the value of the business and the value of the Stalking Horse Agreement. The Debtors do not believe that the Sale could be consummated outside of these bankruptcy proceedings. Among other reasons, the Stalking Horse Bidder requested that the Sale be consummated through a process pursuant to Section 363 of the Bankruptcy Code, whereby the Sale of the Assets would be free and clear of all liens, claims, and encumbrances.

H. Store Closing Sales

45. Under the terms of the Stalking Horse Agreement, the Debtors' North American Retail Assets (*i.e.*, retail leases and related inventory in the U.S. and Canada) are currently identified as Excluded Assets (as defined in the Stalking Horse Agreement). The Stalking Horse Bidder, however, is still considering whether to acquire any portion of the North American Retail Assets.⁹ As a result, the Stalking Horse Agreement provides that, for a period of twenty-five (25) days following the Petition Date (the "**No Liquidation Period**"), the Debtors shall not sell or otherwise dispose of any Inventory (as defined in the Stalking Horse Agreement) other than in the ordinary course of business. The No Liquidation Period is intended to preserve ordinary inventory levels at the retail locations should the Stalking Horse Bidder decide to acquire any of the North American retail locations.

46. Although the Stalking Horse Bidder is contemplating acquiring a portion of the North American Retail Assets, based on discussions with the Stalking Horse Bidder, the Debtors do not believe that the Stalking Horse Bidder intends to acquire all or substantially all of the North American Retail Assets. Further, based on the Debtors' extensive prepetition marketing

⁹ In the event that the Stalking Horse Bidder chooses to acquire any of the Debtors' North American Retail Assets, the purchase price shall be adjusted to include the costs of the acquired inventory consistent with Section 3.1 of the Stalking Horse Agreement.

process and the prepetition Bids received for the Assets, the Debtors do not expect there to be any significant interest in the North American Retail Assets. Thus, the Debtors need to be in a position to wind down their North American retail business immediately upon the conclusion of the No Liquidation Period (with the goal of concluding such process by July 31, 2018, thereby stemming the incurrence of August administrative rent).¹⁰ Accordingly, contemporaneously herewith the Debtors have filed a motion (the “**Store Closing Motion**”) seeking authority to conduct store closing sales (the “**Store Closing Sales**”) with respect to the North American Retail Assets, subject to the Debtors’ ability to remove any retail location from the relief granted therein to the extent necessary to comply with the Stalking Horse Agreement or otherwise maximize value in connection with the sale process.

PART II

47. To enable the Debtors to minimize any adverse effects caused by the commencement of the Chapter 11 Cases on their businesses until the Sale is completed, the Debtors are seeking approval of the First Day Motions and related orders (the “**Proposed Orders**”).

48. I have reviewed each of the First Day Motions, Proposed Orders, and exhibits thereto, and the facts set forth therein are true and correct to the best of my knowledge, information, and belief. Moreover, I believe that the relief sought in each of the First Day Motions (a) is vital to enabling the Debtors to make the transition to, and operate in, Chapter 11 with minimum disruption to their business or loss of productivity or value and (b) is essential to maximizing the value of the Debtors’ estates.

¹⁰ The Debtors are considering retaining a consultant to assist them in the conduct of the Store Closing Sales (as defined herein). Should they decide to retain a consultant, the Debtors will seek approval of such arrangement through a separate motion or application to be filed with the Court (in addition to the Store Closing Motion).

A. Joint Administration Motion

49. Pursuant to this motion (the “**Joint Administration Motion**”), the Debtors request the joint administration of their Chapter 11 Cases, ten in total, for procedural purposes only. Many of the motions, hearings, and other matters involved in the Chapter 11 Cases will affect all of the Debtors. Therefore, I believe that the joint administration of these cases will avoid the unnecessary time and expense of duplicate motions, applications and orders, thereby saving considerable time and expense for the Debtors and resulting in substantial savings for their estate. Accordingly, I believe the Court should approve the joint administration of these Chapter 11 Cases.

B. Application to Appoint Prime Clerk LLC as Claims Agent

50. The Debtors filed an application (the “**Claims Agent Application**”) contemporaneously herewith to retain Prime Clerk LLC (“**Prime Clerk**”), as claims and noticing agent pursuant to Section 156(c) of Title 28 of the United States Code and Rule 2002-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware. Prime Clerk is a bankruptcy administrator that specializes in providing comprehensive Chapter 11 administrative services, including noticing, claims processing, balloting, and other related services critical to the effective administration of Chapter 11 cases. Given the complexity of these cases and the number of creditors and other parties in interest involved, I believe that appointing Prime Clerk as the claims and noticing agent in these Chapter 11 Cases will relieve the administrative burden on the Clerk of the Court for the District of Delaware and will maximize the value of the Debtors’ estates for all of their stakeholders.

C. Automatic Stay Motion

51. Pursuant to this motion (the “**Automatic Stay Motion**”), the Debtors seek entry of an order enforcing and restating the automatic stay protections and *ipso facto* prohibitions of

the Bankruptcy Code. I believe that such an order is appropriate in these Chapter 11 Cases because the Debtors have customers, vendors, and contract counterparties around the world, including in Asia, Brazil, Canada, and Europe. Many of the Debtors' non-U.S. creditors and contract counterparties may be unfamiliar with the automatic stay, the prohibition on enforcement of *ipso facto* contract provisions, and the Bankruptcy Code's antidiscrimination protections. Therefore, I believe that an order outlining these provisions, which the Debtors could transmit to foreign creditors, would maximize the protection the Bankruptcy Code affords the Debtors. Accordingly, based on the foregoing and those additional reasons set forth in the Automatic Stay Motion, I believe that the relief requested in such motion is in the best interests of the Debtors' estates and their creditors and all other parties in interest.

D. Foreign Representative Motion

52. Pursuant to this motion (the "**Foreign Representative Motion**"), the Debtors seek entry of an order authorizing Blocker, as a Debtor in these Chapter 11 Cases and as the ultimate parent of each Debtor, to act as the foreign representative (the "**Foreign Representative**") on behalf of the Debtors' estates in any judicial or other proceeding in Canada. Because Debtor Rockport Canada is the operating entity for the Debtors' business in Canada, the Debtors intend to commence an ancillary proceeding (the "**Ancillary Proceeding**") under Part IV of the Companies' Creditors Arrangement Act ("**CCAA**") in the Ontario Superior Court of Justice (the "**Canadian Court**"). Blocker, as the proposed foreign representative for the Debtors in the Ancillary Proceeding, intends to seek recognition of these Chapter 11 Cases and certain orders entered in the Chapter 11 Cases. Accordingly, based on the foregoing and those additional reasons set forth in the Foreign Representative Motion, I believe that the relief requested in such motion is in the best interests of the Debtors' estates and their creditors and all other parties in interest.

E. Shippers and Warehousemen Motion

53. Pursuant to this motion (the “**Shippers and Warehousemen Motion**”), the Debtors seek entry of interim and final orders, under Sections 105(a), 363 and 503 of the Bankruptcy Code, (i) authorizing, but not directing, the Debtors, in their sole discretion, to pay (a) all or a portion of the Shipping and Warehousing Claims (as defined in the Shippers and Warehousemen Motion) and (b) certain Import Charges (as defined in the Shippers and Warehousemen Motion); and (ii) authorizing applicable banks and other financial institutions to receive, process, honor and pay any and all checks drawn on the Debtors’ general disbursement account and other transfers to the extent such checks and transfers relate to any of the foregoing.

54. In operating their global retail, eCommerce and wholesale businesses, the Debtors depend on the uninterrupted flow of inventory and other goods through their supply chain and distribution network, including the purchase, importation, warehousing, and shipment of the Merchandise. Because the substantial majority of the Debtors’ Vendors are located outside of the United States—primarily (but not exclusively) in mainland China, but also in Vietnam, India, and Brazil, the Debtors’ ability to operate in the ordinary course of business therefore depends on their concurrent ability to transport, import, and take delivery of Merchandise in a timely fashion and on a worldwide basis.

55. If the Debtors fail to pay any of the Shippers or Warehousemen for charges incurred in connection with the transport of goods, the Shippers or Warehousemen may be permitted by law or otherwise to assert possessory liens against any of the Merchandise. Further, because of the commencement of the Chapter 11 Cases, certain Shippers and Warehousemen that hold Merchandise for delivery to or from the Debtors may refuse to release such Merchandise pending receipt of payment for their prepetition services, which would disrupt the Debtors’ operations. The Debtors believe that a disruption in their chain of transportation and storage

arrangements due to nonpayment of shipping and warehouse charges could cause substantial delays, great expense and irreparable harm to the Debtors' estates.

56. Because the Debtors are dependent on many third-party Shippers and Warehousemen, it is essential that the commencement of the Chapter 11 Cases not give such Shippers and Warehousemen reason or excuse to cease performing services or to retain products or other Merchandise. Further, the Debtors propose that they may, in their sole discretion, condition payment of any such Shipping and Warehousing Claims upon an agreement to continue to supply goods or services to the Debtors on such creditor's Customary Trade Terms.

57. As explained above, on May 4, 2018, the Debtors paid certain disputed amounts to Expeditors under duress and protest, subject to the right of clawback in the future. Pursuant to the Shippers and Warehousemen Motion, Debtors seek to pay only undisputed amounts to Expeditors pursuant to the Shippers and Warehousemen Motion.

58. In addition, as noted above, the Debtors receive substantially all of their Merchandise from foreign countries. Timely receipt of such Merchandise is critical to the Debtors' business operations, and the Debtors may be required to pay certain import charges (the "**Import Charges**"), including, but not limited to, customs duties, detention and demurrage fees, tariffs, excise taxes, and other similar obligations. Failure to pay the Import Charges to whom they are owed may interfere with the Debtor's supply chain. A disruption in the Debtors' supply chain due to nonpayment of Import Charges could cause substantial delays, great expense and irreparable harm to the Debtors' estates.

59. Accordingly, based on the foregoing and those additional reasons set forth in the Shipping and Warehousemen Motion, I believe that the relief requested in such motion is

necessary to avoid immediate and irreparable harm and is in the best interests of the Debtors' estates and their creditors and all other parties in interest.

F. Critical and Foreign Vendors Motion

60. Pursuant to this motion (the "**Critical and Foreign Vendors Motion**"), the debtors seek entry of interim and final orders, under Sections 105(a), 363, 1107(a), and 1108 of the Bankruptcy Code, (i) authorizing, but not directing, the Debtors to pay prepetition obligations of certain (a) Critical Vendors (as defined in the Critical and Foreign Vendors Motion), in the ordinary course in an amount not to exceed the applicable Critical Vendor Claims Cap (as defined in the Critical and Foreign Vendors Motion), and (b) Foreign Vendors (as defined in the Critical and Foreign Vendors Motion) in the ordinary course in an amount not to exceed the applicable Foreign Vendor Claims Cap (as defined in the Critical and Foreign Vendors Motion); and (ii) authorizing applicable banks and financial institutions to receive, process, honor and pay any and all checks drawn on the Debtors' general disbursement account and other transfers to the extent these checks and transfers relate to any of the foregoing. For the avoidance of doubt, the Debtors are not seeking to prepay any Vendor's Claims (as defined in the Critical and Foreign Vendors Motion).

61. As described above, the Debtors' business relies on their access to and relationship with a network of Vendors in the United States and around the world. In particular, the Debtors rely entirely on Foreign Vendors to source and manufacture all of the Merchandise sold across the Debtors' global enterprise, from manufacturing facilities located in Brazil, China, India, and Vietnam to the Debtors' distribution warehouses in United States, Canada, Portugal, Korea, and Japan. Because the Foreign Vendors may lack minimum contacts with the United States, the Debtors believe that there is a material risk that the Foreign Vendors may consider themselves beyond the jurisdiction of this Court, disregard the automatic stay, and engage in

conduct that disrupts the Debtors' operations, including but not limited to, exercising self-help remedies under local law, if applicable, and instituting litigation in a foreign forum seeking recovery of outstanding prepetition obligations. Any disruption to the Debtors' production and supply of Merchandise would have a far-reaching economic and operational impact on their business and could therefore jeopardize the Debtors' ability to consummate a Sale through Chapter 11.

62. Accordingly, based on the foregoing and the additional reasons set forth in the Critical and Foreign Vendors Motion, I believe that the relief requested in such motion is necessary to avoid immediate and irreparable harm and is in the best interests of the Debtors' estates and their creditors and all other parties in interest.

G. Taxes Motion

63. Pursuant to this motion (the "**Taxes Motion**"), the Debtors seek entry of interim and final orders, under Sections 105(a), 363(b), 507(a)(8) and 541 of the Bankruptcy Code, authorizing (i) the Debtors, in their sole discretion, to pay Covered Taxes and Fees (as defined in the Taxes Motion) in the ordinary course of business, whether arising prior to, on or after the commencement of the Chapter 11 Cases; and (ii) applicable banks and financial institutions to receive, process, honor and pay any and all checks drawn on the Debtors' general disbursement account and other transfers to the extent these checks and transfers relate to any of the foregoing. For the avoidance of doubt, the Debtors are not seeking to prepay any Covered Taxes and Fees.

64. In the ordinary course of the Debtors' businesses, the Debtors collect, withhold and incur the Covered Taxes and Fees, including Income Taxes, Sales and Use Taxes,

Employment and Wage-Related Taxes,¹¹ Business Taxes, Property Taxes, and certain Other Taxes (as each is defined in the Taxes Motion). The Debtors remit the Covered Taxes and Fees to various federal, state, provincial and local governmental authorities, including taxing and licensing authorities (collectively, the “**Governmental Authorities**”).

65. I believe that many of the Covered Taxes and Fees were collected before the Petition Date and must be turned over to the relevant Governmental Authorities. Moreover, failure to pay such amounts may give rise to priority or secured claims that would, in any event, be entitled to payment in full.

66. The Debtors also seek to pay prepetition Covered Taxes and Fees in order to forestall the Governmental Authorities from taking actions that might interfere with the Debtors’ businesses, such as blocking the receipt or renewal of permits required for the Debtors’ continued operations or possibly bringing personal liability actions against the Debtors’ directors, officers and other employees in connection with non-payment of the Covered Taxes and Fees. I believe that actions against the Debtors’ directors, officers and other employees would likely distract key personnel, whose full-time attention to the Chapter 11 Cases is required, and would likely cause potential business disruptions. Any such business disruptions would likely erode the Debtors’ business reputation and negatively affect the Chapter 11 Cases. I believe that, as of the Petition Date, none of the Covered Taxes and Fees are past due or delinquent and, after entry of the Proposed Orders, intend to pay such amounts as they come due in the ordinary course of business.

¹¹ By the Taxes Motion, the Debtors are not seeking authority to pay the Employment and Wage Related Taxes, which are addressed separately in the Employee Motion (as defined herein).

67. Accordingly, based on the foregoing and those additional reasons set forth in the Taxes Motion, I believe that the relief requested in such motion is necessary to avoid immediate and irreparable harm and is in the best interests of the Debtors' estates and their creditors and all other parties in interest.

H. Insurance Motion

68. Pursuant to this motion (the "**Insurance Motion**"), the Debtors seek entry of interim and final orders, under Sections 105(a), 362 and 363 of the Bankruptcy Code, (i) authorizing the Debtors to continue and renew their (a) Insurance Programs (as defined herein), including Premium Financing (as defined herein), and (b) Surety Bond Program (as defined herein) and honor all obligations under the Insurance and Surety Bond Programs; (ii) modifying the automatic stay imposed by Section 362 of the Bankruptcy Code to the extent necessary to permit the Debtors' employees to proceed with any claims they may have under the Workers' Compensation Program (as defined herein); and (iii) authorizing financial institutions to honor and process related checks and transfers.

69. The Debtors maintain their various liability, property, casualty, workers' compensation and other insurance programs, including the Premium Financing (as defined herein) in the ordinary course of their businesses (collectively, the "**Insurance Programs**") through several private insurance carriers (collectively, the "**Insurance Carriers**"). As part of the Insurance Programs, the Debtors also maintain workers' compensation insurance coverage (the "**Workers' Compensation Program**") and premium financing (the "**Premium Financing**") to pay certain of the Insurance Premiums (as defined in the Insurance Motion). All of the Insurance Programs are essential to the ongoing operation of the Debtors' businesses and the preservation of the value of the Debtors' estates.

70. Additionally, in the ordinary course of business, the Debtors are required to provide a customs surety bond (the “**Customs Bond**”) to the United States Bureau of Customs and Border Protection to secure the payment or enforcement of certain obligations of Rockport (the “**Surety Bond Program**”). These obligations generally relate to (i) customs and import duties, (ii) the clearance of containers that move internationally, and (iii) foreign-trade zone activity. Failure to provide, maintain, or timely replace the Customs Bond will prevent Rockport from undertaking essential functions related to the Debtors’ operations.

71. The Debtors employ Marsh & McLennan Agency (the “**Broker**”) to assist them with the procurement and management of the Insurance Programs. Amounts due to the Brokers are paid directly through the premiums the Debtors pay to Insurance Carriers. The employment of the Broker allows the Debtors to obtain and manage the Insurance Programs in a reasonable and prudent manner and to realize considerable savings in the procurement of such policies.

72. The nature of the Debtors’ businesses makes it essential for the Debtors to maintain their Insurance Programs and Surety Bond Program on an ongoing and uninterrupted basis. The non-payment of any premiums, deductibles or related fees under the Insurance Programs could result in one or more of the Insurance Carriers terminating or declining to renew their insurance policies or refusing to enter into new insurance policies with the Debtors in the future. If any of the Insurance Programs lapse without renewal, the Debtors could be in violation of state and/or federal law and be exposed to substantial liability for personal and/or property damages, to the detriment of all parties in interest. Likewise, the Debtors would be exposed to substantial liability without the ability to make annual payments towards the Surety Premiums or post new or replacement collateral to secure the Indemnity Obligations.

73. Finally, the Debtors' request modification of the automatic stay as it relates to any workers' compensation claims to allow the Debtors' employees to proceed with any valid claims under the Debtors' Workers' Compensation Programs. The Debtors believe that, absent this relief, employees would face significant harm and may voluntarily terminate their employment which would severely disrupt the Debtors' business and could jeopardize the Debtors' ability to consummate a Sale through Chapter 11.

74. Accordingly, based on the foregoing and those additional reasons set forth in the Insurance Motion, I believe that the relief requested in such motion is necessary to avoid immediate and irreparable harm and is in the best interests of the Debtors' estates and their creditors and all other parties in interest.

I. Employee Motion

75. Pursuant to this motion (the "**Employee Motion**"), the Debtors seek entry of interim and final orders, under Sections 105(a), 363, and 507(a) of the Bankruptcy Code, authorizing (i) the Debtors to (a) pay certain employee compensation and benefits, (b) maintain such benefits and other employee-related programs, and (c) pay the prepetition claims of independent contractors and temporary workers; and (ii) applicable banks and other financial institutions to receive, process, honor and pay any and all checks drawn on the Debtors' general disbursement account and other transfers to the extent such checks and transfers relate to any of the foregoing.

76. Specifically, the Debtors seek the authorization to honor and continue prepetition Compensation and Benefit Programs (as defined in the Employee Motion), including (i) wages, salaries, independent contractor obligations, temporary worker obligations, vacation pay, other accrued compensation, (ii) reimbursement of business, travel and other expenses, and (iii) benefits in the form of health, dental, and vision insurance, health and flexible savings accounts,

dental coverage, continuation coverage under COBRA,¹² basic term life insurance, accidental death and dismemberment insurance, short-term and long-term disability, and other miscellaneous benefits provided to Employees in the ordinary course of business. The Debtors request that the Court confirm their right to continue each of the Compensation and Benefit Programs in the ordinary course of business during the pendency of these Chapter 11 Cases in the manner and to the extent that such Compensation and Benefit Programs were in effect immediately prior to the filing of these cases and to make payments in connection with expenses incurred in the post-petition administration of any Compensation and Benefit Programs.

77. In addition, the Debtors seek authorization to pay Severance Obligations (as defined in the Employee Motion) to fifty-one (51) non-insider, retail Employees terminated shortly before the Petition Date. The Debtors seek authority, but not direction, to pay \$70,000.00 in the interim period and \$140,000.00 on a final basis with respect to Severance Obligations. The Debtors believe it is necessary for them to have the authorization to honor the Severance Obligations to Employees terminated shortly before the Petition Date in order to maintain Employee morale and goodwill at their retail locations. If Employee morale suffers and Employees depart, the value of the Debtors' business may decline, which could jeopardize the Debtors' ability to successfully close the Sale of substantially all of their Assets and wind down their North American retail operations. By separate motion to be filed with the Court, the Debtors intend to seek authority to pay certain retention and shrink bonuses to Employees at any of their retail locations subject to the Store Closing Sales.

¹² As part of their COBRA obligations, the Debtors seek authority to pay the COBRA premiums of three (3) Former Non-Retail Employees (as defined in the Employee Motion) during the interim period in order to provide these Former Non-Retail Employees sufficient opportunity to obtain appropriate medical insurance.

78. The Debtors also seek authorization to pay any and all local, state, provincial, and federal withholding and payroll-related or similar taxes relating to the prepetition workforce obligations including, but not limited to, all withholding taxes, federal social security (and their Canadian equivalents), and various wage garnishments required by law. In addition, the Debtors seek authorization to pay to third parties any and all amounts deducted from the employees' paychecks by the Debtors for payments on behalf of the Employees for savings programs (including 401(k) plans and their Canadian equivalents), benefit plans, insurance programs, and other similar programs and plans.

79. Accordingly, based on the foregoing and those additional reasons set forth in the Employee Motion, I believe that the relief requested in such motion is necessary to avoid immediate and irreparable harm and is in the best interests of the Debtors' estates and their creditors and all other parties in interest.

J. Customer Programs Motion

80. Pursuant to this motion (the "**Customer Programs Motion**"), the Debtors seek entry of an order under Sections 105, 363, and 507 of the Bankruptcy Code authorizing, but not directing, (i) the Debtors to (a) continue to administer certain Customer Programs (as defined herein) and (b) honor or pay Customer Obligations (as defined in the Customer Programs Motion) in the ordinary course of business; and (ii) applicable banks and other financial institutions to receive, process, honor and pay any and all checks drawn on the Debtors' general disbursement account and other transfers to the extent such checks and transfers relate to any of the foregoing.

81. In the ordinary course of their businesses, the Debtors engage in certain marketing and sales practices that are, among other things, (i) targeted to develop and sustain a positive reputation for their goods in the marketplace and (ii) designed to attract new customers and

reward and provide incentives to existing customers (collectively, the “**Customer Programs**”). The Customer Programs, all of which are described in detail in the Customer Programs Motion, include (a) online sales promotions, (b) wholesale sales promotions, (c) the co-op marketing agreements, (d) the coupon program, (e) the gift card program, (f) return, refund and exchange policies, (g) the affiliate program, (h) the GiftNow program, (i) the wholesale sales associates programs, and (j) the credit card processing programs. Customer programs are standard in retail, wholesale and e-commerce businesses. Without the ability to continue the Customer Programs and to satisfy prepetition obligations in connection therewith, the Debtors risk losing customer loyalty, goodwill, and market share, which could cause a precipitous decline in the value of their businesses at a critical juncture. The Debtors’ ability to continue their Customer Programs and honor obligations related thereto is necessary to keep the reputation of the Debtors’ brands intact, meet competitive market pressures, ensure customer satisfaction, and, ultimately, maximize value for the Debtors’ estates and their stakeholders.

82. Accordingly, based on the foregoing and those additional reasons set forth in the Customer Programs Motion, I believe that the relief requested in such motion is necessary to avoid immediate and irreparable harm and is in the best interests of the Debtors’ estates and their creditors and all other parties in interest.

K. Utilities Motion

83. Pursuant to this motion (the “**Utilities Motion**”), the Debtors request entry of interim and final orders, under Section 366 of the Bankruptcy Code, (i) prohibiting the Debtors’ utility service providers from altering or discontinuing service; (ii) approving an adequate assurance deposit as adequate assurance of postpetition payment to the utilities; and (iii) establishing procedures for resolving any subsequent requests by the utilities for additional adequate assurance of payment.

84. In connection with the operation of their businesses and management of their properties, the Debtors obtain utility services, including electricity, natural gas, telephone, internet, waste removal, and other similar services (collectively, “**Utility Services**”) from more than fifty (50) utilities, as that term is used in section 366 of the Bankruptcy Code (collectively, the “**Utility Companies**”). Uninterrupted Utility Services are essential to the Debtors’ ongoing operations and, therefore, the preservation of the value of the Debtors’ estates. Should any Utility Company alter, refuse, or discontinue service, even for a brief period, the Debtors’ business operations could be disrupted, and such disruption could jeopardize the Debtors’ ability to consummate a Sale through Chapter 11. Therefore, the Debtors seek to establish an orderly process for providing adequate assurance to their Utility Companies without hindering the Debtors’ ability to maintain operations. Specifically, by the Utilities Motion, the Debtors seek approval of an adequate assurance deposit of approximately \$43,000.00 (which is approximately fifty percent (50%) of the estimated monthly cost of the Utility Services, based on historical averages over the prior twelve (12) months) into a newly-created segregated, interest-bearing account, as adequate assurance of postpetition payment to the Utility Companies pursuant to Section 366(b) of the Bankruptcy Code. Further, I am informed and believe that the proposed Adequate Assurance Procedures (as defined in the Utilities Motion) are consistent with procedures that are typically approved in Chapter 11 cases in this District.

85. Accordingly, based on the foregoing and those additional reasons set forth in the Utilities Motion, I believe that the relief requested in such motion is necessary to avoid immediate and irreparable harm and is in the best interests of the Debtors’ estates and their creditors and all other parties in interest.

L. Cash Management Motion

86. Pursuant to this motion (the “**Cash Management Motion**”), the Debtors seek entry of interim and final orders, under Sections 105, 345, 363, and 507 of the Bankruptcy Code, requesting the entry of an order (i) authorizing the Debtors to continue to use their cash management system (the “**Cash Management System**”) and bank accounts, as set forth below; (ii) waiving certain bank account and related requirements of the Office of the United States Trustee for the District of Delaware (the “**U.S. Trustee**”); (iii) authorizing the Debtors to continue their existing deposit practices under the Cash Management System (subject to the Debtors’ implementation of certain reasonable changes to the Cash Management System); (iv) extending time to comply with Section 345(b) of the Bankruptcy Code; (v) authorizing Intercompany Transactions (as defined in the Cash Management Motion) consistent with historical practice and granting administrative expense priority to Intercompany Transactions; and (vi) granting related relief.

87. In the ordinary course of business, the Debtors utilize the Cash Management System to collect, concentrate, and disburse funds (primarily payroll and payments to Vendors) to manage their business. The Cash Management System also enables the Debtors to efficiently monitor and control their cash position and maintain control over Intercompany Transactions. Indeed, the continued use of the Cash Management System during the pendency of these Chapter 11 Cases is essential to the Debtors’ business operations and their goal of maximizing value for the benefit of all parties in interest.

88. Moreover, in the ordinary course of business, the Debtors engage in certain transactions between and among the Debtors as well as certain of their non-debtor Foreign Affiliates (the “**Intercompany Transactions**”). Historically, the Debtors have engaged in Intercompany Transactions as business is transacted among (i) Rockport and Rockport Canada

and (ii) Rockport and the Foreign Affiliates. Typically, Rockport funds the operations of certain Foreign Affiliates, primarily those in China, Hong Kong, India, and Vietnam (the “**Sourcing and Sales Foreign Affiliates**”), that (i) work directly with the Debtors’ Vendors or (ii) with respect to the Hong Kong Sourcing and Sales Foreign Affiliate, engage in sales, customer service, and merchandising with a focus on distributors. The Intercompany Transactions with the Sourcing and Sales Foreign Affiliates ensure the timely production and delivery of the Merchandise sold by the Debtors and its non-Sourcing and Sales Foreign Affiliates to customers around the world. Intercompany Transactions also occur between Rockport and its non-Sourcing and Sales Foreign Affiliates, *i.e.*, those entities in Korea, Japan, and Western Europe: after Rockport purchases the merchandise directly from the Vendors, it sells the merchandise to its non-Sourcing and Sales Foreign Affiliates, resulting in a transfer of funds to Rockport for use by the Debtors in their day-to-day operations in the United States.

89. In addition, Intercompany Transactions regularly occur between Rockport and Rockport Canada when funds are transferred between those entities as necessary, including, but not limited to, transfers as a result of the Rockport’s sale of Merchandise to Rockport Canada.¹³ Following the Petition Date, Rockport Canada will continue to transfer funds to Rockport on account of (i) Merchandise purchased postpetition from Rockport as necessary for Rockport Canada’s ongoing operations¹⁴ and (ii) postpetition back-office services provided by Rockport (the “**Permitted Rockport Canada Intercompany Transactions**”).¹⁵ Other than the Permitted

¹³ As of the Petition Date, Rockport Canada owes approximately \$28.3 million to Rockport and Debtor Drydock Footwear, LLC on account of these Intercompany Transactions.

¹⁴ Rockport Canada will pay Rockport on a cash on delivery basis for postpetition Merchandise prior to receiving delivery of such Merchandise.

¹⁵ Rockport Canada will pay Rockport for back-office services in accordance with existing practices.

Rockport Canada Intercompany Transactions, following the Petition Date, Rockport Canada will not transfer funds to Rockport on account of any prepetition Intercompany Transactions unless otherwise ordered by the Court.

90. Generally, the Debtors' non-Sourcing and Sales Foreign Affiliates operate solely on funds generated in their respective jurisdictions. Occasionally, funds generated by a non-Sourcing and Sales Foreign Affiliate are insufficient to cover such entity's operating costs. In that limited circumstance, Rockport provides supplemental operational funding to the affected non-Sourcing and Sales Foreign Affiliate. The Debtors believe that continuing these Intercompany Transactions in these limited circumstances is necessary to preserving their equity interests in the non-Sourcing and Sales Foreign Affiliates, and thus, is in the best interests of the Debtors and their estates. In fact, the Stalking Horse Bidder intends to acquire the Debtors' equity interests in the Foreign Affiliates pursuant to the Sale of substantially all of the Assets (other than the Debtors' North American Retail Assets) under Section 363 of the Bankruptcy Code. As a result, the Debtors believe that continuance of the Intercompany Transactions, including the Permitted Rockport Canada Intercompany Transactions, is critical to preserving the value of the Foreign Affiliates which will enure to the benefit of the Debtors' estates and stakeholders in connection with the Sale.

91. Additionally, to minimize expenses to their estates, the Debtors seek authorization to continue their correspondence and business forms, including, but not limited to, purchase orders, letterhead, checks, invoices, sales order acknowledgements and other business forms in the forms existing immediately prior to the Petition Date, without reference to the Debtors' status as debtors in possession; provided, however, that in the event that the Debtors generate new checks during the pendency of these cases other than from their existing stock of checks, such

checks will include a legend with the designation “Debtor-in-Possession.” In addition, with respect to checks which the Debtors or their agents print themselves, the Debtors will begin printing the “Debtor in Possession” legend and the bankruptcy case number on such items within ten (10) days of the date of entry of an order approving the Cash Management Motion. The Debtors also seek authority to use all correspondence and other business forms (including, without limitation, letterhead, purchase orders and invoices) without reference to the Debtors’ status as debtors in possession.

92. Also, by the Cash Management Motion, the Debtors seek a thirty (30) day extension of the time to comply with Section 345(b) of the Bankruptcy Code, without prejudice to the Debtors’ ability to seek a further extension (upon agreement with the United States Trustee) or a waiver of those requirements. During the extension period, the Debtors propose to engage the U.S. Trustee in discussions to determine if compliance with Section 345(b) of the Bankruptcy Code is necessary under the circumstances of these Chapter 11 Cases. The Debtors believe that the benefits of the requested extension far outweigh any harm to the estate.

93. Accordingly, based on the foregoing and those additional reasons set forth in the Cash Management Motion, I believe that the relief requested in such motion is necessary to avoid immediate and irreparable harm and is in the best interests of the Debtors’ estates and their creditors and all other parties in interest.

M. DIP Motion

94. Pursuant to this motion (the “**DIP Motion**”), the Debtors request entry of interim and final orders (respectively, the “**Interim DIP Order**” and the “**Final DIP Order**” and, collectively the “**DIP Orders**”) authorizing them to obtain postpetition secured DIP financing in an aggregate amount of up to \$80 million consisting of (i) up to a \$60 million DIP ABL Facility (as defined in the DIP Motion) and (ii) up to a \$20 million new money DIP Note Facility (as

defined in the DIP Motion).¹⁶ By the DIP Motion, the Debtors also request that the Court authorize related relief, including the consensual use of the Prepetition Secured Parties Lenders' Cash Collateral (as defined in the DIP Motion).

95. The DIP ABL Facility provides the Debtors with a \$60 million facility upon entry of the Interim DIP Order. Pursuant to the DIP ABL Credit Agreement (as defined in the DIP Motion) and the DIP Orders, following entry of the Interim DIP Order the Debtors intend to repay the Prepetition ABL Obligations outstanding under the Prepetition ABL Facility initially as a creeping roll-up by applying the collection of receivables and other proceeds of the Revolving Priority Collateral to satisfy amounts owed under the Prepetition ABL Facility and free up corresponding borrowing availability under the DIP ABL Facility. Upon entry of the Final DIP Order, the Debtors will use the proceeds of the next advance under the DIP ABL Credit Agreement to "roll-up" all amounts outstanding under the Prepetition ABL Facility to satisfy all Prepetition ABL Obligations in full in accordance with the terms of the Prepetition Revolving Credit Agreement.

96. The DIP Note Facility further provides the Debtors with approximately \$10 million upon entry of the Interim DIP Order and an additional availability of \$10 million following entry of the Final DIP Order to be funded in increments. Pursuant to the DIP Note Purchase Agreement (as defined in the DIP Motion) and the DIP Orders, Prepetition Notes in an amount equal to \$20 million will be deemed exchanged for notes issued under the DIP Note Facility upon entry of the Interim DIP Order, and an additional \$20 million will be deemed

¹⁶ The lenders under the DIP ABL Facility are identical to the lenders under the Prepetition Revolver Facility and the purchasers under the DIP Note Facility are identical to the purchasers under the Prepetition Note Facility.

exchanged for notes issued under the DIP Note Facility upon entry of the Final DIP Order, for a total “partial roll-up” of \$40 million of Prepetition Notes.

97. In addition to providing the Debtors with up to \$20 million of incremental liquidity, the DIP Facilities (as defined in the DIP Motion) also provide the Debtors with access to the use of the Prepetition Secured Parties Lenders’ collateral (including Cash Collateral) on a consensual basis. The repayment of the Prepetition ABL Facility and the Prepetition Note Facility pursuant to the terms of the DIP Facilities is a material component of the structure of the DIP Facilities and was required by the DIP Lenders (as defined in the DIP Motion) as a condition to their commitment to provide postpetition financing, and the consensual use of Cash Collateral.

98. The Debtors believe they must immediately instill confidence in their employees, vendors and customers, reassuring them that these Chapter 11 Cases will not erode their relationships with the Debtors or the overall value of the Debtors’ estates. The Debtors further believe they must provide assurances to their stakeholders as to their ability to seamlessly transition into Chapter 11, operate in a “business as usual” fashion, but with increased liquidity, and ultimately consummate a Sale of their business to the Stalking Horse Bidder, or otherwise highest and best bidder pursuant to Section 363 of the Bankruptcy Code. In particular, the Debtors believe that the initial success of these Chapter 11 Cases depends on the comfort level of the Debtors’ stakeholders—in particular the Debtors’ third-party vendors located outside of the United States—which, in turn, depends upon the Debtors’ ability to minimize the disruption caused by the Chapter 11 filings.

99. The DIP Facilities, as a package covering all the Debtors’ typical financing needs, will provide the working capital necessary to allow the Debtors, including Rockport Canada, to,

among other things, continue operating their businesses until consummation of the proposed Sale, which in turn will help maintain value of the Debtors' estates for the benefit of all creditors and parties in interests. I believe that without access to the DIP Facilities, the Debtors, including Rockport Canada, would lack sufficient liquidity to operate their business, thereby immediately and irreparably harming their business, depleting their going-concern value of their Assets, and jeopardizing consummation of the proposed Sale.

100. In particular, consistent with prepetition practices, funds available under the facility will be used to, among other things, provide Rockport Canada with merchandise to sell, pay wages, salaries and benefits of the Debtors' corporate employees and other general expenses of the Debtors' enterprise. Indeed, Rockport Canada's assets were an important component of the borrowing base under the Prepetition ABL Facility, and thus relied upon by the ABL Lenders to secure the Prepetition ABL Obligations. Without Rockport Canada's assets in the borrowing base (as calculated in accordance with the Prepetition ABL Credit Agreement), the availability under the Prepetition ABL Facility (and thus the outstanding Prepetition ABL Obligations) would have been reduced dollar-for-dollar. Similarly, the inclusion of Rockport Canada's assets in the borrowing base under the DIP ABL Facility is an integral component of such facility, and is a condition to the DIP ABL Lenders' commitment to provide postpetition financing. Thus, the Debtors believe that Rockport Canada's indirect access to funds provided to the other Debtors under the DIP ABL Facility is critical to Rockport Canada's ability to operate as a going concern until consummation of the proposed Sale. Accordingly, the credit to be provided under the DIP Facilities is necessary to preserve the value of the Debtors' estates for the benefit of all stakeholders.

101. In order to properly apportion the joint and several liability among Rockport Canada, on the one hand, and all of the remaining Debtors, on the other hand, of the Prepetition ABL Obligations, the Debtors, the ABL Lenders, and the Prepetition Noteholders, and Richter Advisory Group Inc., in its capacity as the proposed Canadian Court-appointed information officer of the Debtors, have initiated discussions over the fair and equitable allocation of the Debtors' liability under the Prepetition ABL Facility as between Rockport Canada, on the one hand and the remaining Debtors, on the other hand.

102. Subject to consideration and approval by the Court at the Final Hearing, the Debtors, the ABL Lenders, and the Prepetition Noteholders have determined that an appropriate allocation of the Prepetition ABL Obligations should be based upon the net asset values set forth in the most recent Borrowing Base Certification (as of April 15, 2018) under the Prepetition ABL Facility with respect to Rockport Canada's Revolving Priority Collateral and the remaining Debtors' Revolving Priority Collateral. The net asset values of the Revolving Priority Collateral (as determined by the April 15, 2018 Borrowing Base Certificate), as between Rockport Canada and the remaining Debtors is set forth on Exhibit D attached to the DIP Motion.¹⁷ As reflected therein, and based upon the agreement of the Debtors, the Prepetition Secured Parties, the DIP

¹⁷ This exhibit sets forth both the "gross" value of the Debtors' eligible assets under the Prepetition ABL Facility as reflected on the Debtors' books ("**Gross Value**") and the net value of these same assets ("**Net Value**") (split between Rockport Canada and the remaining Debtors). Net Value reflects the ABL Lenders' calculation of what they were willing to lend against, or the "Availability" under the Prepetition ABL Facility. The deductions made to Gross Value to arrive at Net Value include: (i) reserves, which are established to discount collateral value for, among other things, accounts receivable that are over sixty (60) days past due or deemed difficult to collect like foreign, inventory shrinkage, and inventory that may not be readily accessible due to location, and (ii) net orderly liquidation value ("**NOLV**"), which represents a percentage of the eligible inventory that reflects the estimated proceeds from the liquidation of such inventory after deducting all associated direct operating costs and liquidator fees. The ABL Lenders utilized professionals to determine both their reserve levels and the NOLV in order to calculate the Net Value (thereby determining the Availability under the Prepetition ABL Facility). The Debtors believe that utilizing the Net Value of the various Debtors' eligible assets under the Prepetition ABL Facility as of the Petition Date is the appropriate methodology for determining the Proposed ABL Liability Allocation as it best reflects the actual value of the assets in the borrowing base that the ABL Lenders were willing to lend against, and thus the allocable amount of the Prepetition ABL Obligations as between Rockport Canada and the remaining Debtors and their eligible assets as of the Petition Date.

ABL Agent and the DIP Note Purchasers, the Debtors believe that Rockport Canada's allocable share of the Prepetition ABL Obligations should be 18.4% of such outstanding amount, and the other Debtors' allocable share should be 81.6% (the "**Proposed ABL Liability Allocation**"). The Debtors will seek approval of this proposed allocation at the final hearing on the DIP Motion.

103. Although the Proposed ABL Liability Allocation will not be considered by the Court until the Final Hearing, the DIP Note Purchasers are willing to provide up to \$10 million in New Money Notes (as defined in the DIP Note Purchase Agreement) upon entry of the Interim Order. However, as set forth in the Interim Order, as a condition to providing any additional New Money Notes under the DIP Notes Facility, the DIP Note Purchasers are requiring that the Proposed ABL Liability Allocation be approved by the Court at the Final Hearing and be part of the Final Order.

104. Further, the DIP Facilities are the result of arm's-length negotiations between the Debtors and the Prepetition Secured Parties related to the Debtors' liquidity issues, financing needs, and goals of these Chapter 11 Cases. First, the DIP Lenders, including the DIP Note Purchasers, were represented by separate counsel for negotiating the terms of the DIP Facilities. Second, the Independent Directors, who were advised by independent counsel, approved the DIP Facilities. Third, the DIP Lenders received all of the protections that a third-party DIP lender would have demanded and received in a comparable context. Finally, the fees payable to the DIP Agents (as defined in the DIP Motion) and the DIP Lenders pursuant to the DIP Documents (as defined in the DIP Motion) were negotiated at arm's length, are an integral component of the overall terms of the DIP Facilities, are the best financing terms available, and I have been advised that such fees are reasonable and customary for similar transactions.

105. The Debtors do not believe that alternative sources of financing with terms as favorable as those of the DIP Facilities are readily available to the Debtors. During the prepetition marketing process and negotiation of the Stalking Horse Agreement, Houlihan, on behalf of the Debtors, contacted a number of traditional and non-traditional lenders, including the Stalking Horse Bidder, with experience providing DIP financing. None of the parties contacted by Houlihan were willing to provide DIP financing that was junior to both the ABL Secured Parties and the Prepetition Noteholders. One party indicated it would be willing to provide DIP financing that was junior to the liens held by the ABL Secured Parties Lenders, but would require priming of the Prepetition Noteholders—likely resulting in expensive and distracting litigation at the outset of these Chapter 11 Cases.

106. The Debtors believe, in consultation with their advisors, that the DIP Facilities represent the Debtors' best alternative for postpetition financing under the circumstances as they provide the Debtors with sufficient and immediate liquidity on terms negotiated at arms' length. Indeed, due largely to the fact that substantially all of the Assets are encumbered under the Prepetition Credit Facilities, the Debtors believe that a workable DIP financing, and successful start to the Chapter 11 Cases, is likely only if such DIP financing has the support of, or is provided by, the Prepetition Secured Parties. Moreover, as with any third-party proposal, the Debtors would have incurred execution risk associated with a new lender transaction, including material timing and due diligence constraints, necessarily involving the payment of additional professional fees. In contrast, the proposed DIP Facilities offered by the DIP Lenders allow the Debtors to avoid the need to engage in a costly and time-consuming priming fight at the outset of these Chapter 11 Cases.

107. Accordingly, based on the foregoing and those additional reasons set forth in the DIP Motion, I believe that the relief requested in such motion is necessary to avoid immediate and irreparable harm and is in the best interests of the Debtors' estates and their creditors and all other parties in interest.

CONCLUSION

108. The Debtors' ultimate goal in these Chapter 11 Cases is to maximize the value of their estates for the benefit of their stakeholders. A Sale of the Assets via Section 363 is the best way to accomplish this. In the near term, however, to minimize any loss of value to their business, the Debtors' immediate objective is to promote stability and maintain ordinary course operations during the early stages of these Chapter 11 Cases, with as little disruption to operations as possible. I believe that if the Court grants the relief requested in each of the First Day Motions, the prospect for achieving these objectives and completing a successful sale of the Debtors' business will be substantially enhanced.

109. I hereby certify that the foregoing statements are true and correct to the best of my knowledge, information and belief and respectfully request that all of the relief requested in the First Day Motions be granted, together with such other and further relief as is just and proper.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 14th day of May, 2018.

The Rockport Company, LLC, *et al.*
Debtors and Debtors in Possession

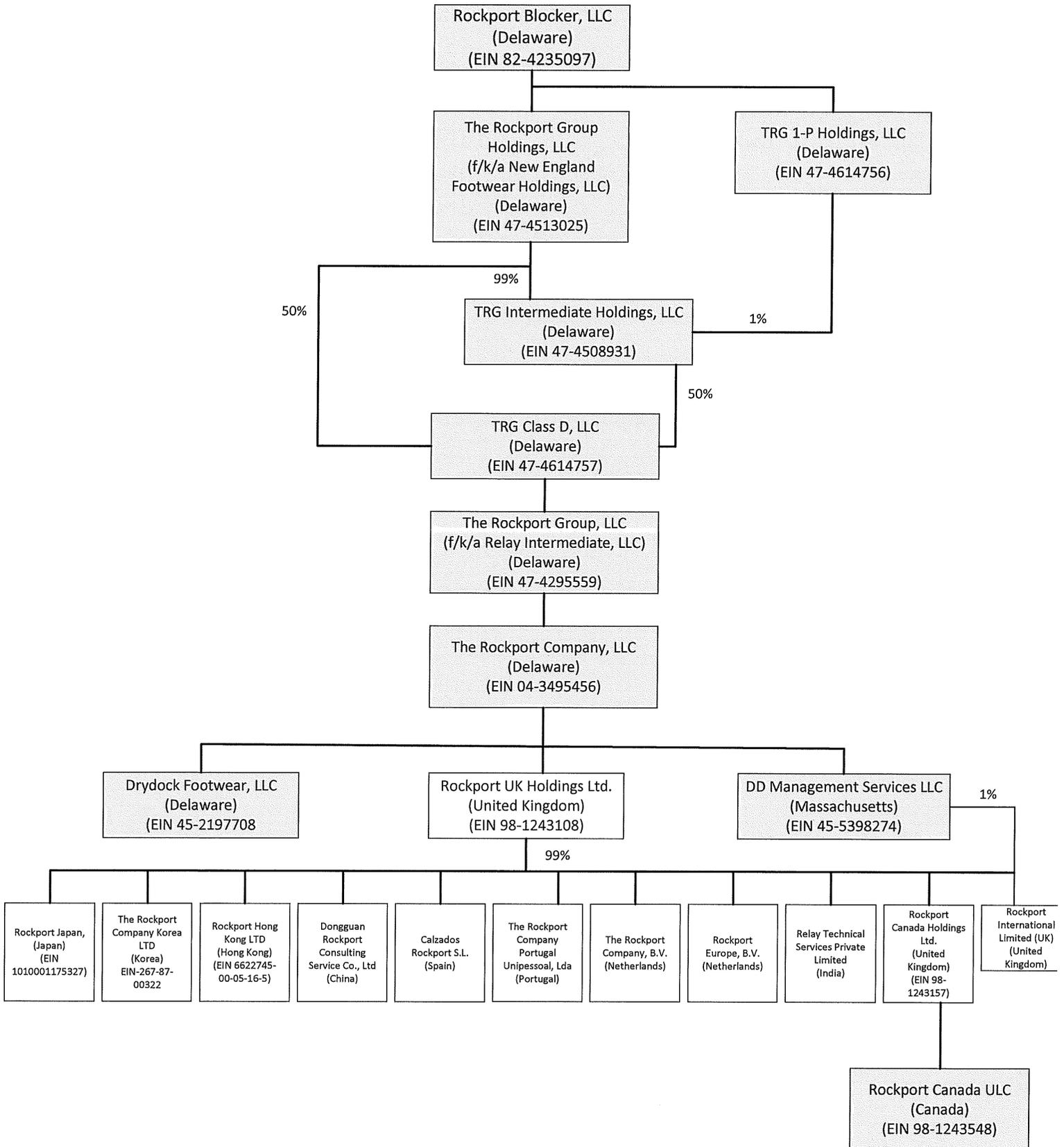
/s/ Paul Kosturos

Paul Kosturos
Interim Chief Financial Officer

EXHIBIT A

Organizational Chart

The Rockport Group, LLC Structure Chart



File a First Day Motion:

18-11145 The Rockport Company, LLC

Type: bk

Chapter: 11 v

Office: 1 (Delaware)

Assets: y

Case Flag: VerifDue, PlnDue,
DsclsDue

U.S. Bankruptcy Court

District of Delaware

Notice of Electronic Filing

The following transaction was received from Mark D. Collins entered on 5/14/2018 at 7:59 AM EDT and filed on 5/14/2018

Case Name: The Rockport Company, LLC

Case Number: 18-11145

Document Number: 14

Docket Text:

Affidavit/Declaration in Support of First Day Motion // *Declaration of Paul Kosturos in Support of Debtors' Chapter 11 Petitions and First Day Motions* Filed By The Rockport Company, LLC (Collins, Mark)

The following document(s) are associated with this transaction:

Document description:Main Document

Original filename:\\im-file\data\MLM\24. First Day Dec.pdf

Electronic document Stamp:

[STAMP bkecfStamp_ID=983460418 [Date=5/14/2018] [FileNumber=15166063-0]
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18-11145 Notice will be electronically mailed to:

Mark D. Collins on behalf of Debtor The Rockport Company, LLC
rbgroup@rlf.com;ann-jerominski-2390@ecf.pacerpro.com

Brya Michele Keilson on behalf of U.S. Trustee U.S. Trustee
brya.keilson@usdoj.gov

U.S. Trustee
USTPRegion03.WL.ECF@USDOJ.GOV

18-11145 Notice will not be electronically mailed to:

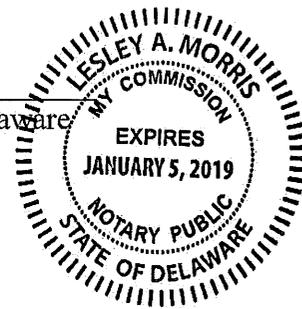
Tab B

THIS IS EXHIBIT "B" TO THE AFFIDAVIT
OF PAUL KOSTUROS SWORN BEFORE ME

ON THIS 13TH DAY OF JUNE, 2018

Lesley A. Morris

A Notary Public in and for the State of Delaware



Court File No:

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

AND IN THE MATTER OF ROCKPORT BLOCKER, LLC, THE ROCKPORT GROUP HOLDINGS, LLC, TRG 1-P HOLDINGS, LLC, TRG INTERMEDIATE HOLDINGS, LLC, TRG CLASS D, LLC, THE ROCKPORT GROUP, LLC, THE ROCKPORT COMPANY, LLC, DRYDOCK FOOTWEAR, LLC, DD MANAGEMENT SERVICES LLC AND ROCKPORT CANADA ULC (THE "DEBTORS")

APPLICATION OF ROCKPORT BLOCKER, LLC, UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

**AFFIDAVIT OF PAUL KOSTUROS
(Sworn May 15, 2018)**

I, **PAUL KOSTUROS**, of the City of San Francisco in the State of California, **MAKE OATH AND SAY as follows:**

1. I am the interim Chief Financial Officer of The Rockport Company, LLC ("**Rockport**"), a Delaware limited liability company and its affiliated companies, the debtor companies in these proceedings, and as such have personal knowledge of the matters deposed to in this Affidavit, or where I do not possess such personal knowledge, I have stated the source of my information, and in all such cases I believe that both the information and the resulting statement to be true.

2. I am also a Senior Director of Alvarez & Marsal Private Equity Services Operations Group, LLC ("**A&M**"). I have more than 20 years' experience in finance and accounting and have advised companies across a diverse range of industries in respect of their restructuring and insolvency proceedings (both in and out of court). I also have experience designing financing packages and acting as a financial advisor in the purchase or sale of numerous businesses.

3. I have been the interim Chief Financial Officer of Rockport and its affiliated companies since August 1, 2017.

4. Rockport, Rockport Blocker, LLC, The Rockport Group Holdings, LLC, TRG 1-P Holdings, LLC, TRG Intermediate Holdings, LLC, TRG Class D, LLC, The Rockport Group, LLC, Drydock Footwear, LLC, DD Management Services LLC (collectively, the “**US Debtors**”) and Rockport Canada ULC (“**Rockport Canada**”, and together with the US Debtors, the “**Rockport Group**” or the “**Debtors**”) initially retained A&M in March 2017 to provide technology consulting services.

5. The Rockport Group then expanded A&M’s management to include interim management services, including my appointment as interim Chief Financial Officer.

6. As a result of my role over the past 10 months, I am generally familiar with the Rockport Group’s business, day-to-day operations, finances and records.

Introduction

7. On May 14, 2018 (the “**Filing Date**”), each entity in the Rockport Group filed voluntary petitions for relief pursuant to Chapter 11 of Title 11 (“**Chapter 11**”) of the United States Code (the “**US Code**”) (collectively, the “**Petitions**” and each a “**Petition**”) with the United States Bankruptcy Court for the District of Delaware (the “**US Court**”). Attached hereto and marked as **Exhibit “A”** is a true copy of the filed Petitions. The Rockport Group has requested that the Petitions be jointly administered for procedural purposes only.

8. As of the date of this Affidavit, I am not aware of any other insolvency proceedings involving the Rockport Group other than the proceedings before the US Court commenced by the Petitions (the “**US Proceedings**”) and these proceedings.

9. In support of the Petitions, I caused to be filed with the US Court a declaration (the “**First Day Declaration**”). The First Day Declaration sets out in greater detail, among other things, the history of the Rockport Group and the present challenges leading to the US Proceedings. Attached hereto and marked as **Exhibit “B”** is a true copy of the First Day Declaration.

10. As detailed below, the Rockport Group entered into an asset purchase agreement to sell substantially all of the Rockport Group's assets to CB Marathon Opco, LLC ("**Marathon**"), an affiliate of Charlesbank Equity Fund IX, limited Partnership ("**Charlesbank**"), or another higher or otherwise better bidder, pursuant to Section 363 of the US Code. The Rockport Group has determined that value for creditors will be maximized by commencing the US Proceedings and continuing an orderly sale process.

11. This Affidavit is made in support of an application by Rockport Blocker, LLC ("**Blocker**"), in its capacity as foreign representative of the Rockport Group, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended (the "**CCAA**"), for orders granting certain relief, including, *inter alia*:

- (a) abridging the time for service of the materials such that this application is properly returnable on May 16, 2018;
- (b) declaring that Blocker is a "foreign representative" as defined in section 45 of the CCAA in respect of the jointly administered insolvency proceedings;
- (c) recognizing the US Proceedings under Chapter 11 of the US Code and declaring the US Proceedings as a foreign main proceeding with respect to each member of the Rockport Group, including Rockport Canada;
- (d) recognizing and enforcing certain orders (as set out below) of the US Court made in the US Proceedings;
- (a) staying all proceedings that might be taken against the Rockport Group under the *Bankruptcy and Insolvency Act* R.S.C. 1985, c. B-3, as amended, or the *Winding-Up and Restructuring Act*, R.S.C. 1985, c. W-11, as amended;
- (e) restraining further proceedings and any action, suit or proceeding against the Rockport Group;
- (f) prohibiting the commencement of any action, suit or proceeding against the Rockport Group;

- (g) granting the Court-ordered charges, namely the Administration Charge (as defined below) to a maximum of CDN\$300,000 and the DIP Lender's Charge (as defined below), to a maximum of US\$60,000,000; and
- (h) appointing Richter Advisory Group Inc. ("**Richter**") as information officer (the "**Information Officer**") in these proceedings.

The First Day Motions

12. As part of the first day motions (the "**First Day Motions**") that were heard by the US Court on May 15, 2018, the US Court made several orders (collectively, the "**First Day Orders**"). The First Day Orders made by the US Court include, *inter alia*:

- (a) an order permitting the joint administration of the Chapter 11 cases of the Rockport Group in the US Proceedings, which is attached hereto and marked as **Exhibit "C"** (the "**Joint Administration Order**");
- (b) an order authorizing the Rockport Group to appoint Prime Clerk LLC ("**Prime Clerk**") as claims and noticing agent, which is attached hereto and marked as **Exhibit "D"** (the "**Claims Agent Order**");
- (c) an order confirming the enforcement and applicability of the protections pursuant to Sections 362, 365, 525 and 541 of the Code, which is attached hereto and marked as **Exhibit "E"** (the "**Automatic Stay Order**");
- (d) an order recognizing Blocker as the foreign representative of the Rockport Group, which is attached hereto and marked as **Exhibit "F"** (the "**Foreign Representative Order**");
- (e) an interim order (i) authorizing, but not directing, Rockport Group, in their sole discretion, to pay (a) all or a portion of the shipping and warehousing claims and (b) certain import charges; and (ii) authorizing applicable banks and other financial institutions to receive, process, honour and pay any and all cheques drawn on the Debtors' general disbursement account and other transfers, to the

extent such cheques and transfers relate to any of the foregoing, which is attached hereto and marked as **Exhibit “G”** (the “**Shippers and Warehousemen Order**”);

- (f) an interim order (i) authorizing, but not directing, the Rockport Group to pay prepetition obligations of certain (a) critical vendors, up to US\$2,000,000, on an interim basis; and (b) foreign vendors up to US\$12 million on an interim basis; and (ii) authorizing applicable banks and financial institutions to receive, process, honor and pay any and all cheques drawn on the Rockport Group’s general disbursement account and other transfers, to the extent these cheques and transfers relate to any of the foregoing, which is attached hereto and marked as **Exhibit “H”** (the “**Critical and Foreign Vendors Order**”);
- (g) an interim order (a) authorizing, but not directing, the Rockport Group, in their sole discretion, to pay Covered Taxes and Fees (as defined in the First Day Declaration), whether asserted prior to, on or after the commencement of the Chapter 11 cases; and (b) authorizing and directing applicable banks and financial institutions to receive, process, honor and pay any and all cheques drawn on the Rockport Group’s general disbursement account and other transfers to the extent these cheques and transfers relate to any of the foregoing, which is attached hereto and marked as **Exhibit “I”** (the “**Taxes Order**”);
- (h) an interim order (i) authorizing the Rockport Group to continue and renew their (a) Insurance Programs (as defined in the First Day Declaration), including Premium Financing (as defined in the First Day Declaration), and (b) Surety Bond Program (as defined in the First Day Declaration) and honor all obligations under the Insurance and Surety Bond Programs; (ii) modifying the automatic stay imposed by Section 362 of the Bankruptcy Code to the extent necessary to permit the Rockport Group’s employees to proceed with any claims they may have under the Workers’ Compensation Program (as defined in the First Day Declaration); and (iii) authorizing financial institutions to honor and process related cheques and transfers, which is attached hereto and marked as **Exhibit “J”** (the “**Insurance Order**”);

- (i) an interim order authorizing the Rockport Group to pay pre-Petition wages, compensation, employee benefits and claims of independent contractors which is attached hereto and marked as **Exhibit “K”** (the “**Wages Order**”);
- (j) an order authorizing, but not directing, the Rockport Group to among other things, (i) maintain certain Customer Programs (as defined in the First Day Declaration); (ii) satisfy obligations related to the Gift Card Program (as defined in the First Day Declaration); and (iii) honor or pay all other Customer Obligations (as defined in the First Day Declaration), which is attached hereto and marked as **Exhibit “L”** (the “**Customer Program Order**”);
- (k) an interim order with respect to utilities providers: (i) prohibiting the Rockport Group’s utility service providers from altering or discontinuing service; (ii) approving an adequate assurance deposit as adequate assurance of post-Petition payment to the utilities; and (iii) establishing procedures for resolving any subsequent requests by the utilities for additional adequate assurance of payment, which is attached hereto and marked as **Exhibit “M”** (the “**Utilities Order**”);
- (l) an interim order authorizing, but not directing, the Rockport Group to maintain their existing bank accounts, cash management system and authorizing the continuation of (and administrative expense priority status of) intercompany transactions, subject to certain limitations set out therein, which is attached hereto and marked as **Exhibit “N”** (the “**Cash Management Order**”); and
- (m) an interim order, among other things, (i) approving post-Petition financing; (ii) granting liens and super-priority administrative expense claim status to Citizens Business Capital, as administrative and collateral agent (the “**DIP ABL Agent**”) for the DIP ABL Lenders (as defined in the First Day Declaration) and (iii) modifying the automatic stay; and (iv) scheduling the final hearing, which is attached hereto and marked as **Exhibit “O”** (the “**Interim DIP Financing Order**”).

Foreign Representative Order and the Joint Administration Order

13. The US Court made the Foreign Representative Order appointing Blocker as the foreign representative of the Rockport Group to, among other things, seek recognition of the US Proceedings in Canada. Pursuant to the Foreign Representative Order, the US Court requested the assistance of the Ontario Superior Court of Justice (the “**Canadian Court**”) in aiding and supporting the US Proceedings.

14. Pursuant to the Joint Administration Order, the US Court directed that the Chapter 11 cases of each member of the Rockport Group would be administered jointly, including having one court file and one service list.

15. In granting the Foreign Representative Order and the Joint Administration Order, the US Court was satisfied that each order was necessary for the US Proceedings and the efficient administration of the US Proceedings. Blocker seeks recognition of the Foreign Representative Order and the Joint Administration Order, so that these proceedings can be managed efficiently and in a manner consistent with the US Proceedings.

Claims Agent Order

16. Pursuant to the Claims Agent Order, the US Court appointed Prime Clerk as claims and noticing agent for the Rockport Group in order to administer the claims of the Rockport Group’s creditors. Prime Clerk is a bankruptcy administrator that specializes in administering Chapter 11 proceedings.

17. In making the Claims Agent Order, the US Court determined that the appointment of Prime Clerk as claims agent was reasonable and appropriate to ensure the efficient and effective administration and determination of claims against the Rockport Group.

18. Blocker seeks recognition of the Claims Agent Order from this Honourable Court to ensure consistency in the administration of these proceedings and the US Proceedings. However, Blocker does not propose that the role of Prime Clerk supplant or replace the proposed role of Richter as information officer in these proceedings.

Automatic Stay Order

19. Pursuant to the Automatic Stay Order, the US Court enforced and restated the automatic stay of the US Code and the Rockport Group's right to continue operations, including authorization to satisfy all ordinary course business obligations incurred after the Filing Date.

20. In making the Automatic Stay Order, the US Court determined that enforcing and restating the stay provisions of the US Code was appropriate and necessary to maintain the Rockport Group's operations, while it continues its efforts to facilitate the entry into an asset purchase agreement.

21. Blocker seeks recognition of the Automatic Stay Order from this Honourable Court and submits that such recognition is necessary to ensure consistency between these proceedings and the US Proceedings.

Shippers and Warehousemen Order

22. The US Court made the Shippers and Warehousemen Order, which authorizes (but does not direct) the Rockport Group to, in their sole discretion, pay all or a portion of certain accrued pre-Petition shipping and warehousing claims and certain pre-Petition import charges. The Rockport Group sought this order to ensure its supply of inventory and other goods would not be interrupted. The Shippers and Warehousemen Order was made on an interim basis, and will be subject to a further hearing and final order of the US Court.

23. In making the Shippers and Warehousemen Order, the US Court was satisfied that it is necessary for the Rockport Group to be allowed to pay certain shippers and warehousemen for charges incurred in connection with the transport of goods, so that such shippers or warehousemen do not assert possessory liens against any of the Rockport Group's merchandise or otherwise refuse to release such merchandise pending receipt of payment, which would disrupt the Rockport Group's operations and potentially cause substantial delays, great expense and irreparable harm to the Rockport Group's estates.

24. The US Court was further satisfied in making the Shippers and Warehousemen Order that it is necessary for the Rockport Group to be allowed to pay certain import charges (including, but

not limited to, customs duties, detention and demurrage fees, tariffs, excise taxes and other similar obligations) on merchandise delivered from foreign countries as non-payment could cause substantial delays, great expense and irreparable harm to the Rockport Group's estates. In exchange for the payments pursuant to this Order, the recipients are to provide service in the ordinary course.

25. Blocker seeks recognition of the Shippers and Warehousemen Order from the Canadian Court and submits that such recognition is necessary to ensure consistency in the treatment of these payments between these proceedings and the US Proceedings.

Critical and Foreign Vendors Order

26. Pursuant to the Critical and Foreign Vendors Order, the US Court authorized the Rockport Group to pay pre-Petition obligations to (i) certain critical vendors up to the Critical Vendor Claims Cap (as defined in the First Day Declaration) and (ii) certain foreign vendors up to the Foreign Vendor Claims Cap (as defined in the First Day Declaration). The Rockport Group sought this order to ensure its critical and foreign vendors would continue to supply necessary merchandise to the group. In particular, the Rockport Group was concerned that foreign vendors may not consider themselves bound by the US Proceedings without a specific order. The Critical and Foreign Vendors Order was made on an interim basis, and will be subject to a further hearing and final order of the US Court.

27. In making the Critical and Foreign Vendors Order, the US Court was satisfied that the Critical and Foreign Vendors Order was necessary to ensure that certain critical and foreign vendors integral to sourcing and manufacturing all of the Rockport Group's merchandise do not disregard the automatic stay and engage in conduct disruptive to the Rockport Group's operations, potentially jeopardizing its continued efforts to facilitate an asset purchase. In exchange for the payments pursuant to this Order, the recipients are to provide service in the ordinary course.

28. Blocker seeks recognition of the Critical and Foreign Vendors Order from the Canadian Court and submits that such recognition is necessary to ensure there is no disruption to the Rockport Group's global sourcing and manufacturing network.

Taxes Order

29. Pursuant to the Taxes Order, the US Court authorized the Rockport Group, in its discretion, to pay certain taxes and fees (defined as in the Taxes Order as Covered Taxes and Fees). The Covered Taxes and Fees include income taxes, sales and use taxes, employment taxes, business taxes and property taxes. I believe that many of the Covered Taxes and Fees were collected before the Petitions and must be paid over to the relevant taxing authority and that a failure to do so would result in priority liens. The Taxes Order applies to Canadian taxation authorities, including with respect to sales taxes. The Taxes Order was made on an interim basis, and will be subject to a further hearing and final order of the US Court.

30. In making the Taxes Order, the US Court determined that it was appropriate and necessary for the Rockport Group to have discretion to pay pre-Petition and post-Petition taxes and fees to facilitate its continued operations and avoid potential disruptions to the Rockport Group's operations, including interruptions to necessary permits and distracting the efforts of critical employees.

31. Blocker seeks recognition of the Taxes Order from the Canadian Court, and submits that such recognition is necessary to ensure the efficient and consistent administration of the Rockport Group's operations and stability throughout its efforts to restructure and to implement the restructuring plan. Blocker also seeks recognition of the Taxes Order from the Canadian Court to ensure that Canadian taxation authorities are treated consistently with those in the US.

Insurance Order

32. The US Court made the Insurance Order, which authorizes the Rockport Group to continue and renew certain insurance programs, including premium financing and surety bond programs. The Insurance Order also modified the automatic stay under Section 362 of the US Code, to allow the Rockport Group's employees to proceed with any claims they may have under workers' compensation insurance coverage (the "**Workers' Compensation Program**")

maintained by the Rockport Group. The Insurance Order was made on an interim basis and will be subject to a further hearing and final order of the US Court.

33. In making the Insurance Order, the US Court was satisfied that all of the insurance programs covered by the Insurance Order are essential to the ongoing operation of the Rockport Group's businesses and the preservation of the value of the Rockport Group's estates.

34. Blocker seeks recognition of the Insurance Order from the Canadian Court and submits that such recognition is necessary to ensure consistency of the insurance coverage between the US Debtors and Rockport Canada.

Wages Order

35. The US Court granted the Wages Order authorizing the Rockport Group to, *inter alia*, pay pre-Petition wages and other amounts owed to its employees and claims of independent contractors, to continue all employee benefit programs and to pay all withholding obligations, as such obligations are due. The Wages Order was made on an interim basis and will be subject to a further hearing and final order of the US Court.

36. In granting the Wages Order, the US Court was satisfied that the failure to make payments for these obligations to the Rockport Group employees (and for withholdings related to those employees) and claims of independent contractors would threaten the Rockport Group's ability to operate and its efforts to facilitate the entry into an asset purchase agreement. The US Court was further satisfied that authorizing the payment of these amounts was a sound exercise of the Rockport Group's business judgment.

37. Blocker seeks recognition of the Wages Order from the Canadian Court to ensure that all Rockport Group employees, independent contractors and government entities receiving withholdings are treated consistently.

Customer Program Order

38. The US Court made the Customer Program Order, which authorizes the Rockport Group to maintain certain market and sales practices that, among other things, are targeted to develop and sustain a positive reputation for the Rockport Group goods in the marketplace and to attract

new customers and provide incentives, including rewards, to existing customers. These programs include online sales promotions, wholesale sales promotions, the coupon program, the gift card program, return, refund and exchange policies, the gift card program and the credit card processing program. The Customer Program Order further authorizes the Rockport Group to pay certain pre-Petition obligations relating to these activities.

39. In making the Customer Program Order, the US Court was satisfied that without such an order, the Rockport Group was at risk of losing customer loyalty, goodwill, and market share, which could cause a precipitous decline in the value of their businesses at a critical juncture. The US Court was further satisfied that the Customer Program Order was necessary to keep the reputation of the Rockport Group's brands intact in order to avoid irreparable harm and to maximize value for the Rockport Group's estates and their stakeholders.

40. Blocker seeks recognition of the Customer Program Order from this Honourable Court and submits that such recognition is necessary to ensure that the Rockport Group brand is maintained consistently across jurisdictions and that Canadian customers receive the same treatment in these proceedings as those based in the US.

Utilities Order

41. Pursuant to the Utilities Order, the US Court approved adequate assurance of payment for certain utility providers, establishing procedures for resolving claims by utility providers and prohibited the utility providers from terminating service solely on the basis of the commencement of the US Proceedings. The utilities providers include those supplying gas, electricity, phone and internet services. The Utilities Order includes 17 Canadian utilities providers. The Utilities Order was made on an interim basis and will be subject to a further hearing and final order of the US Court.

42. In making the Utilities Order, the US Court was satisfied that continued service was reasonable, appropriate and necessary to maintain the Rockport Group's operations while it continues its efforts to enter into an asset purchase agreement.

43. Blocker seeks the recognition of the Utilities Order from this Honourable Court and submits that such recognition is necessary to ensure consistency between these proceedings and

the US Proceedings. Blocker also seeks recognition of the Utilities Order from this Honourable Court to ensure Canadian utilities providers are treated consistently with the US utilities providers.

Cash Management Order

44. The US Court made the Cash Management Order, which authorizes the Rockport Group to continue to operate its existing cash management system (including its existing bank accounts), to maintain its existing business forms (such as cheques), and to continue to perform intercompany transactions consistent with past practice, subject to the Permitted Rockport Canada Intercompany Transactions (as defined below). The intercompany transactions include payments between Rockport and Rockport Canada and payments between Rockport and other foreign affiliates. The Cash Management Order was made on an interim basis and will be subject to a further hearing and final order of the US Court.

45. Intercompany transactions regularly occur between Rockport and Rockport Canada when funds are transferred between those entities as necessary, including, but not limited to, transfers as a result of the Rockport's sale of merchandise to Rockport Canada. Following the Petition Date, Rockport Canada will continue to transfer funds to Rockport on account of (i) merchandise purchased postpetition from Rockport, as necessary for Rockport Canada's ongoing operations and (ii) postpetition back-office services provided by Rockport (the "**Permitted Rockport Canada Intercompany Transactions**"). Other than the Permitted Rockport Canada Intercompany Transactions, following the Petition Date, Rockport Canada will not transfer funds to Rockport on account of any prepetition intercompany transactions, unless otherwise ordered by the US Court.

46. In granting the Cash Management Order, the US Court was satisfied that the existing system, subject to the Permitted Rockport Canada Intercompany Transactions, was essential to the Rockport Group's ongoing operations in order to maximize value in its sale efforts and that there would be no prejudice to the Rockport Group continuing to use pre-printed business forms without modification to identify the members of the Rockport Group as debtors in possession.

47. The US Court was also satisfied that the intercompany transactions, subject to the Permitted Rockport Canada Intercompany Transactions, should continue because the system enables the Rockport Group to efficiently monitor and control their cash position and maintain control over Intercompany Transactions (as defined in the First Day Declaration). The continued use of the cash management system in such manner during the pendency of the US Proceedings is essential to the Rockport Group's business operations and their goal of maximizing value for the benefit of all parties in interest. In making the Cash Management Order, the US Court was further satisfied that the Cash Management Order was necessary to avoid immediate and irreparable harm and is in the best interests of the Rockport Group's estates and their creditors and all other parties in interest.

48. Blocker seeks recognition of the Cash Management Order from the Canadian Court to ensure that the Rockport Group finances, which are highly integrated, can continue in the ordinary course, subject to the Permitted Rockport Intercompany Transactions, and to ensure the efficient administration of the Rockport Group, as it works to facilitate the entry into an asset purchase agreement.

Interim DIP Financing Order

49. Pursuant to the Interim DIP Financing Order:

- (a) the Rockport Group is authorized to borrow up to US\$60 million of post-Petition revolving loans under the DIP ABL Facility (as defined in the First Day Declaration), with a Canadian sublimit of zero (the "**DIP ABL Financing**"); and
- (b) the US Debtors are authorized to borrow up to US \$20 million of post-Petition financing under the DIP Note Facility (as defined in the First Day Declaration (the "**DIP Note Financing**" and together with the DIP ABL Financing, the "**DIP Financing**")

on such terms and conditions set out in the applicable post-Petition credit agreement, or note purchase agreement and related documents.

50. Consistent with the Prepetition Revolving Credit Agreement (as defined in the First Day Declaration), Rockport Canada will be a borrower under the DIP ABL Financing pursuant to the post-Petition Senior Secured Super-Priority Debtor-in-Possession Revolving Credit Agreement (the “**DIP ABL Credit Agreement**”) and related documents (together with the DIP ABL Credit Agreement, the “**DIP Financing Documents**”).

51. Consistent with the pre-Petition Note Purchase Agreement dated as of July 31, 2015 (as amended or supplemented to the date hereof), Rockport Canada will not be a party to the DIP Note Financing. The DIP Note Financing will be on the terms and conditions of a Debtor-In-Possession Note Purchase and Security Agreement (the “**DIP Note Purchase Agreement**”) by and among the US Debtors, as borrowers, the purchasers party thereto from time to time, and Cortland Capital Market Services LLC, as collateral agent for the note purchasers thereunder (the “**DIP Note Purchasers**”).

52. The DIP Note Purchase Agreement provides for the purchase of postpetition notes from time to time thereunder in the amount of up to US\$20,000,000 during the Interim Period (as defined in the First Day Orders) to (i) fund the Debtors' Chapter 11 cases and the continued operation of their businesses as US Debtors, and certain fees and expenses associated with the consummation of the transactions and (ii) issue notes under the DIP Note Purchase Agreement, in exchange for Senior Secured Notes (as defined in the First Day Orders) held by the DIP Note Purchasers.

53. The DIP ABL Financing is being provided by a syndicate of lenders (the “**DIP ABL Lenders**”). The DIP ABL Lenders consist of the syndicate of lenders that provided the Rockport Group with its Prepetition ABL Facility (as defined in the First Day Declaration) and the DIP ABL Agent is the same administrative and collateral agent under the Prepetition ABL Facility (the “**Prepetition ABL Agent**”). Although Rockport Canada currently has no borrowings under that facility, it is a co-borrower and a guarantor of the US Debtors’ borrowings under that facility and has granted a security interest over its assets, property and undertakings in favour of the Prepetition ABL Agent in respect of those obligations.

54. Pursuant to the DIP ABL Financing Documents, and consistent with the pre-Petition financing terms, Rockport Canada is a co-borrower, the Canadian sublimit under the DIP ABL

Financing will be zero, and Rockport Canada will guarantee all of the obligations of the US Debtors under the DIP ABL Financing Documents. The assets of the US Debtors provide security for the borrowings under the DIP ABL Financing and the assets of Rockport Canada provide security, as co-borrower and guarantor, of the borrowings under the DIP ABL Financing.

55. The DIP Financing will provide the working capital necessary for the Rockport Group to continue its business in the ordinary course until consummation of the proposed sale, with a view to maintaining value for the benefit of all creditors and stakeholders.

56. The US Court ordered that the DIP Financing be secured by security interests and liens in accordance with the US Code and that the amounts owed under the DIP Financing would constitute super-priority claims in priority to all other obligations and liabilities of the Rockport Group, subject only to: (a) the DIP Credit Agreements (as defined in the Interim DIP Financing Order), (b) the Carve-Out (as defined in the Interim DIP Financing Order), (c) a charge in a maximum amount of CDN\$300,000 to secure the professional fees and expenses of Richter as information officer and its counsel, and (d) any existing liens that, under applicable law, are senior to, and have not been subordinated to, the liens of the Prepetition Secured Parties (as defined in the Interim DIP Financing Order), but only to the extent that such existing liens are valid, perfected, enforceable, and unavoidable liens as of the Petition Date.

57. The Interim DIP Financing Order authorizes the Debtors to use all cash, collections and proceeds of the ABL Priority Collateral (as defined in the Interim DIP Financing Order) (except ABL Priority Collateral of Rockport Canada) to reduce the Debtors' obligations under the Prepetition ABL Facility during the Interim Period (as defined in the Interim DIP Financing Order). Upon entry of the Final Order (as defined in the Interim DIP Financing Order), subject to the terms and conditions set out in paragraph 38 of the Interim DIP Financing Order, the Debtors will use the proceeds of the DIP ABL Credit Agreement to fully satisfy all of their obligations under the Prepetition ABL Facility. As of the Petition Date, the aggregate outstanding amount owed by the Rockport Group under the Prepetition Revolving Credit Agreement is approximately US\$53,425,436.95, plus US\$3,550,000 of issued and outstanding letters of credit.

58. The Interim DIP Financing Order deems each DIP Note Purchaser to have exchanged a portion of its claims arising under the Senior Secured Notes (as defined in the Interim DIP

Financing Order), in an amount equal to the amount of such DIP Note Purchaser's DIP Commitment (as defined in the DIP Note Purchase Agreement), for Roll Up Notes (as defined in the DIP Note Purchase Agreement) on a dollar-for-dollar basis. Upon entry of the Final Order, each DIP Note Purchaser shall be deemed to have exchanged an additional portion of its claims arising under the Senior Secured Notes, in an amount equal to such DIP Note Purchaser's DIP Commitment, for Roll Up Notes (as defined in the DIP Note Purchase Agreement) on a dollar-for-dollar basis. As of the Filing Date, US\$188,300,000 in principal amount of Senior Secured Notes was outstanding.

59. The Interim DIP Financing Order also authorizes the Rockport Group to use its cash collateral in accordance with the terms of that order.

60. The DIP ABL Financing is made on substantially similar terms as the Prepetition ABL Facility.

61. The costs and fees of the DIP Financing are market for similar levels of financing in similar circumstances. The US Court was satisfied that the terms and conditions of DIP Financing, and the fees paid and to be paid thereunder, are fair, reasonable, and the best available to the Debtors under the circumstances, reflect the Debtors' exercise of prudent and sound business judgment consistent with their fiduciary duties and are supported by reasonably equivalent value and consideration.

62. The US Court was satisfied that the Interim DIP Financing Order was necessary for the orderly continuation and operation of the Rockport Group, to maintain business relationships and to satisfy its business and operational needs (including payroll and other expenses incurred in the ordinary course of business) and to fund the administration of the US Proceedings and the Rockport Group's efforts to facilitate the entry into an asset purchase agreement.

63. The US Court was satisfied that the Rockport Group did not have sufficient available sources of capital and financing to operate its business or maintain its properties in the ordinary course of business without the DIP Financing and the use of cash collateral.

64. The US Court was also satisfied that the Rockport Group would not be able to obtain financing on more favourable terms and would not be able to obtain adequate unsecured credit under the US Code.

65. The US Court was further satisfied that the DIP Financing was a sound exercise of the Rockport Group's business judgment.

66. Blocker seeks recognition of the Interim DIP Financing Order from the Canadian Court.

67. Blocker seeks recognition of the Interim DIP Financing Order from the Canadian Court, with a corresponding charge for the DIP ABL Financing, to ensure the financing remains available and that the Rockport Group can meet its obligations and continue its efforts to facilitate the entry into an asset purchase agreement.

68. The obligations that Rockport Canada will undertake under the DIP ABL Financing correspond to its pre-Petition obligations. That is, Rockport Canada is a co-borrower and a guarantor of the obligations under the DIP ABL Facility and security will be granted over Rockport Canada's assets for its obligations under that facility. While Rockport Canada is listed as a borrower under the DIP ABL Financing, it has no borrowing availability.

The Business of the Rockport Group

69. The Rockport Group is a leading global designer, distributor, and retailer of comfort footwear in more than fifty markets worldwide. The footwear business is highly competitive, and the Rockport Group's business accounts for a fraction of the total market for men's and women's footwear. The Rockport Group competes with other footwear retailers and wholesalers, including department stores, online retailers, manufacturer-owned factory outlet stores and other retail and wholesale outlets. At various times of the year, department store chains, specialty shops, and online retailers offer brand-name merchandise at substantial markdowns which further intensifies the competitive nature of the industry.

70. Further details of the history and business of the Rockport Group (including the circumstances leading to the Chapter 11 Petitions), are set out in the First Day Declaration.

Corporate Structure of the Rockport Group

71. Blocker is a Delaware limited liability corporation headquartered in West Newton, Massachusetts, United States and is the ultimate parent of each of the other entities in the Rockport Group. Rockport Canada is an indirect wholly-owned subsidiary of Rockport.

72. The Rockport Group's US operations are operated by Rockport and its Canadian operations are operated by Rockport Canada.

73. Details of the Rockport Group, its incorporating jurisdictions and the location of its head offices are as follows:

Name	Jurisdiction of Incorporation	Location of Head Office/Headquarters
Rockport Blocker, LLC	Delaware	West Newton, Massachusetts
The Rockport Group Holdings, LLC	Delaware	West Newton, Massachusetts
TRG 1-P Holdings, LLC	Delaware	West Newton, Massachusetts
TRG Intermediate Holdings, LLC	Delaware	West Newton, Massachusetts
TRG Class D, LLC	Delaware	West Newton, Massachusetts
The Rockport Group, LLC	Delaware	West Newton, Massachusetts
The Rockport Company, LLC	Delaware	West Newton, Massachusetts
Drydock Footwear, LLC	Delaware	West Newton, Massachusetts
DD Management Services LLC	Massachusetts	West Newton, Massachusetts
Rockport Canada ULC	British Columbia	West Newton, Massachusetts

74. The corporate structure of the Rockport Group is set out in an organizational chart, which is attached hereto as **Exhibit "P"**.

Centre of Main Interest

The US Debtors

75. The Rockport Group's operations are based in the United States.
76. The US Debtors each have their registered office and conduct all operations in the United States. The US Debtors have no assets or operations in Canada and the US Debtors have no Canadian creditors or employees.
77. All material decisions with respect to business and operations of the US Debtors are directed by management located in the United States (in particular, the head office in West Newton, Massachusetts), including, without limitation, all decisions regarding administration, finances, human resources, strategic planning, management, communication and accounting.

Rockport Canada

78. Rockport Canada has its registered and records office in Vancouver, British Columbia. Attached hereto and marked as **Exhibit "Q"** is a true copy of the British Columbia Corporate Registry search for Rockport Canada, obtained from the British Columbia Corporate Registry on or about April 26, 2018. Rockport Canada is also extra-provincially registered in Alberta, Manitoba, Nova Scotia, Ontario, Quebec and Saskatchewan.
79. Rockport Canada's sole director is Robert Infantino, a resident of West Newton, Massachusetts.
80. Rockport Canada's officers are Robert Infantino and Karla Jarvis, each of whom are residents of Massachusetts.
81. As noted above, Rockport Canada is an indirect wholly owned subsidiary of Rockport.
82. The Canadian assets and operations of Rockport Canada can be summarized as follows:
- (a) Rockport Canada has the following bank accounts:

- (i) an account with HSBC Bank Canada (“**HSBC**”) that serves as Rockport Canada’s operating account;
 - (ii) an account with HSBC that is currently inactive;
 - (iii) an account with HSBC that serves as Rockport Canada’s US Dollar disbursement account (the “**USD Disbursement Account**”); and
 - (iv) a lockbox account with HSBC for payments from wholesale customers;
- (b) its operations include outlet stores and retail stores which are located in Alberta (6), British Columbia (3), Manitoba (2), Nova Scotia (1), Ontario (16), Prince Edward Island (1), and Quebec (4);
- (c) all of the Canadian retail and outlet locations are leased by Rockport Canada;
- (d) it operates a warehouse and distribution facility located in Brampton, Ontario, which is leased by Expeditors International of Washington, Inc. (“**Expeditors**”). Expeditors coordinates and processes import duties and arranges for transport of the Rockport Group’s inventory (including inventory of Rockport Canada in the Brampton warehouse);
- (e) it owns inventory located in Canada, valued at approximately CDN\$24,320,532; and
- (f) it employs 220 Canadian employees, which is comprised of 4 salespeople and 216 retail employees. The 4 salespeople each hold the title of Manager, Territory Sales and 2 of the individuals are based in Ontario, 1 person is in BC and the fourth person is in Quebec. The retail employees work in Rockport Canada’s stores across Canada and include store managers and area managers.

83. Rockport Canada’s stores that are located throughout Canada are summarized as follows:

Province	Number of Retail Stores	Number of Outlet Stores
Alberta	4	2
British Columbia	1	2

Manitoba	1	1
Nova Scotia	1	0
Ontario	6	10
Prince Edward Island	0	1
Quebec	1	3
Total Number of Stores	14	19

84. None of Rockport Canada's employees are members of any unions.

85. Rockport Canada does not have any pension plan with respect to its employees.

86. The Wages Order authorized Rockport Canada to continue to pay Rockport Canada's employees in the ordinary course. Any amounts owed to any Rockport Canada employees, including for vacation pay, severance pay and benefits, are expected to be paid in the ordinary course, in accordance with the Wages Order.

87. Rockport Canada maintains compensation and benefits for its employees, including wages, employee benefits and an RRSP program. Pursuant to the RRSP program, the Rockport Group contributes an amount equal to 7.5% of an employee's earnings, provided that the employee contributes at least 2.5% of his or her earnings. As of the Petition Date, Rockport Canada owes approximately US\$140,000 in amounts due to its employees under the compensation and benefits program. All benefits plans, including insurance, medical and dental, are paid through May 2018.

88. The payroll and benefits programs for Rockport Canada are managed by the accounting and benefits group of Rockport, which is based in West Newton, Massachusetts.

89. All of Rockport Canada's assets are located within Canada.

90. Rockport Canada's head office is located in West Newton, Massachusetts.

91. Rockport Canada is an indirect wholly owned subsidiary of Rockport. Rockport makes all material decisions regarding Rockport Canada and all of Rockport Canada's operations are managed by Rockport personnel in the United States. In particular, all of Rockport Canada's

treasury and financial decisions, including borrowing and setting prices are made by the head office in West Newton, Massachusetts. All Canadian locations provide their financial data and information directly to the head office in West Newton, Massachusetts, which consolidates the information and uses it to make the financial decisions.

92. All accounts payable and accounts receivable are managed from the Rockport Group head office in West Newton, Massachusetts.

Rockport Canada is fully integrated in the US management of the Rockport Group

93. As noted above, all material decisions regarding Rockport Canada and its operations are made by Rockport Group personnel in the United States.

94. The Rockport Group operations, including Rockport Canada, are highly integrated and all corporate decisions are made from the head office in West Newton, Massachusetts.

95. There are no management personnel employed directly by Rockport Canada or located in Canada, except that Rockport Canada employs store managers and area managers to oversee the day-to-day operations of Rockport Canada's stores. The store managers report to the area managers. The area managers oversee the posting of jobs and identifying staffing needs, but they cannot make decisions on hiring or terminating employees without approval from Rockport Canada's head office in West Newton, Massachusetts.

96. Rockport Canada does not have any human resources personnel. Human resources issues and questions for Rockport Canada are managed by two Rockport employees based in West Newton, Massachusetts.

97. Rockport Canada's inventory is distributed from a warehouse based in Brampton, Ontario, but all decisions regarding inventory management are made by the Rockport head office in West Newton, Massachusetts. Rockport uses forecasts to determine inventory needs, and the head office in West Newton, Massachusetts places orders on behalf of Rockport Canada.

98. Rockport Canada does not have any information technology personnel. All technology decisions and issues are managed by Rockport from the head office in West Newton, Massachusetts. In particular, the e-commerce site is based out of and managed from the US.

99. Rockport makes all marketing decisions for the Rockport Group, including Rockport Canada, from its head office in West Newton, Massachusetts.

100. Rockport Canada's strategic decisions, including asset management, capital expenditure and planning decisions are driven from the head office in West Newton, Massachusetts.

101. Other than the retail employees based at Rockport Canada's stores throughout Canada, there are no customer service personnel located within Canada or employed by Rockport Canada. The Rockport Group head office in West Newton, Massachusetts provides all customer service for Rockport Canada (other than in-store service).

102. As noted in the First Day Declaration and discussed in further detail below, the Prepetition Revolving Credit Agreement is a credit facility for the Rockport Group, including Rockport Canada. The Prepetition Revolving Credit Agreement is administered by the Rockport Group finance department based in West Newton, Massachusetts.

103. Based on the forgoing, I verily believe that the Rockport Group, including Rockport Canada, is managed from West Newton, Massachusetts from a corporate, strategic and management perspective and that significant creditors would recognize West Newton, Massachusetts as the centre of Rockport Canada's operations.

Rockport Canada's Cash Management

104. The Canadian segment of the Rockport Group's cash management system is made up of accounts held in Rockport Canada's name at HSBC. The system is made up of three active accounts at HSBC and one inactive account. The system is managed out of the finance and accounting department based in West Newton, Massachusetts. None of Rockport Canada's employees has access to the HSBC accounts, other than to request deposit slips for the operating account.

105. The Canadian operating account serves as the primary collection and disbursement account for Rockport Canada's operations. Revenues generated from wholesale operations, retail credit card sales and retail cash sales are deposited directly into the Canadian operating account. The cash transactions are deposited into the account by an armoured car service, which

picks up the cash and delivers it to HSBC, and all other payments are electronic and deposited directly into the account.

106. The Canadian operating account is also used to fund disbursements in Canadian dollars related to the Rockport Group's day-to-day operations in Canada, including disbursements to vendors, shippers, taxes, customs and duties and amounts due to employees. Under the pre-Petition arrangements, excess cash from the Canadian operating account is periodically transferred to accounts maintained by Rockport.

107. The USD Disbursement Account is used to disburse cheques and wires in US dollars to suppliers and US-based vendors of Rockport Canada. Funds are transferred from the Canadian operating account to the USD Disbursement Account as needed. There is minimal activity associated with the USD Disbursement Account.

108. The lockbox account is used to receive cheques from the Rockport Group's wholesale customers in Canada. At the end of each day, funds in the lockbox account are swept into the Canadian operating account.

109. Rockport Canada intends to close the inactive account at HSBC. This account was previously used to collect revenue from retail credit card sales (which are now deposited directly into the Canadian operating account).

110. During the course of these proceedings, Rockport will cease the practice of sweeping excess cash from the Canadian operating account, so that all such funds are available to Rockport Canada throughout these proceedings.

Intercompany Transactions

111. Rockport Canada is a party to intercompany transactions with Rockport. In particular, the pre-Petition arrangement is for the head office in West Newton, Massachusetts to monitor Rockport Canada's liquidity on approximately a weekly or bi-weekly basis, and transfer excess funds from Rockport Canada's operating account to Rockport.

112. As noted above, the practice of transferring excess cash from Rockport Canada's operating account to Rockport will not continue in the course of these proceedings.

113. Rockport determines the inventory required and places orders on behalf of all of the Rockport Group and its foreign subsidiaries. The pre-Petition arrangement is for Rockport Canada to pay Rockport for the inventory received, plus a mark-up to cover its portion of the management expenses, which includes costs associated with services, which include accounting, human resources and inventory management services, among others, provided by Rockport to Rockport Canada. As noted above, the Cash Management Order permits Rockport Canada to continue to pay for the Permitted Rockport Canada Intercompany Transactions during the course of these proceedings.

114. The Rockport Group tracks, monitors and reviews all fund transfers and book entries related to intercompany transactions in their respective accounting ledgers. The Rockport Group accounting department regularly reviews the settlement of all intercompany claims.

Rockport Canada's Finances

115. Rockport Canada does not independently report its financial performance. Its financial reporting is part of a consolidated reporting prepared for the Rockport Group.

116. Based on the consolidated financial statements ended December 31, 2017, the Rockport Group's consolidated revenue for that period was approximately US\$296.5 million, with Rockport Canada representing approximately US\$40.9 million (13.8% of revenue) over that period. Attached hereto and marked as **Exhibit "R"** is a true copy of the consolidated financial statements ended December 31, 2017 for the Rockport Group.

117. Attached hereto and marked as **Exhibit “S”** is a true copy of the cash flow and budget for the Rockport Group (on a consolidated basis) during the restructuring proceedings, along with the cash flow and budget for Rockport Canada alone.

Rockport Canada’s Creditors

118. In the First Day Declaration, Rockport Canada is a borrower along with certain other of the Rockport Group entities under the Prepetition Revolving Credit Agreement (as defined in the First Day Declaration), which provides for borrowing of up to \$60 million in aggregate principal for revolving loan commitments and a sublimit of \$10 million for letters of credit. However, Rockport Canada’s borrowing availability under the Prepetition Revolving Credit Agreement has been reduced to zero. Rockport Canada is also a guarantor of the US Debtors’ obligations under the Prepetition Revolving Credit Agreement and has provided security over all of its assets to secure such obligations.

119. Accordingly, the Prepetition ABL Agent and the Lenders (as defined in the Prepetition Revolving Credit Agreement) are significant creditors of Rockport Canada.

120. The revolving facility is used to fund the Rockport Group’s daily operations. Each day, Rockport makes a request to the Prepetition ABL Agent to transfer available funds to its operation account. Rockport then distributes funds to the other entities in the Rockport Group, as needed. On December 26, 2017, Rockport Canada’s borrowings and the Canadian sub-limit pursuant to the Prepetition Revolving Credit Agreement was reduced to zero. Since December 26, 2017, Rockport Canada has not needed to access credit under the Prepetition Revolving Credit Agreement.

121. As of the Petition Date, the aggregate outstanding amount owed by the Rockport Group under the Prepetition Revolving Credit Agreement is approximately US\$53,425,436.95, plus US\$3,550,000 of issued and outstanding letters of credit.

122. If the Lenders were to require repayment in full of the amounts owed by Rockport Canada, as a co-borrower and under its guarantee of the US Debtors’ obligations under the Prepetition Revolving Credit Agreement, Rockport Canada would be unable to repay the full amount owed.

123. Other than the lenders under the Prepetition Revolving Credit Agreement, Rockport Canada has no other registered secured creditors in the provinces that it conducts business. As shown on the PPR Searches (as defined below), Rockport Canada is subject to security interest registrations in favour of the Prepetition ABL Agent.

124. Rockport Canada has approximately 64 unsecured creditors that are owed approximately CDN\$760,000. These unsecured claims are primarily for amounts due to employees, landlords and for the point of sale system.

125. Rockport Canada is also indebted to each of The Rockport Group, LLC in the amount of US\$18,104,735 and Drydock Footwear, LLC in the amount of US\$10,200,012, in respect of the advance of inventory to Rockport Canada that was purchased by each of these US Debtors. These intercompany claims against Rockport Canada are not secured.

126. The US Debtors are also indebted pursuant to (i) a Prepetition Note Facility (as defined in the First Day Declaration), and (ii) Prepetition Subordinated Notes. Rockport Canada is not a party to these note facilities.

Environmental Claims

127. Based on the nature of the Rockport Group's assets and operations, there are no known or expected environmental claims or issues.

Searches

128. I am advised by Roger Jaipargas, a partner with Borden Ladner Gervais LLP ("**BLG**"), and do verily believe, that searches were conducted of the personal property registries for Rockport Canada (each, a "**PPR Search**" and collectively, the "**PPR Searches**") for each of the Provinces in which Rockport Canada conducts business.

- (a) Attached hereto and marked as **Exhibit "T"** is a true copy of the Quebec PPR Search dated April 25, 2018;
- (b) Attached hereto and marked as **Exhibit "U"** is a true copy of the Alberta PPR Search dated April 25, 2018;

- (c) Attached hereto and marked as **Exhibit “V”** is a true copy of the Ontario PPR Search dated April 11, 2018;
- (d) Attached hereto and marked as **Exhibit “W”** is a true copy of the Nova Scotia PPR Search dated April 25, 2018;
- (e) Attached hereto and marked as **Exhibit “X”** is a true copy of the Prince Edward Island PPR Search dated April 25, 2018;
- (f) Attached hereto and marked as **Exhibit “Y”** is a true copy of the Manitoba PPR Search dated April 25, 2018; and
- (g) Attached hereto and marked as **Exhibit “Z”** is a true copy of the British Columbia PPR Search dated May 7, 2018.

The Asset Purchase Transaction

129. In December 2017, the Rockport Group retained Houlihan Lokey, Inc. (“**Houlihan**”), an investment bank, to explore a potential sale of the Rockport Group’s assets. Houlihan contacted one hundred and ten (110) potential strategic and financial acquirers to garner interest in pursuing such transaction, of which sixty (60) executed a non-disclosure agreement, received a confidential information memorandum, and obtained access to an initial set of diligence materials. Ten (10) of these parties later provided initial, non-binding indications of interest of which seven (7) were granted access to a more robust data room and six (6) met with senior management of the Rockport Group in person to ask questions pertaining thereto.

130. On or before March 29, 2018, three (3) parties submitted final bids, and on April 4, 2018, a fourth verbal bid was received. After reviewing and carefully considering the bids received, the Rockport Group determined, in consultation with their advisors, that Charlesbank had submitted the highest or otherwise best offer, pursuant to which Charlesbank agreed to acquire substantially all of the Rockport Group’s assets (other than the Rockport Group’s North American retail assets) for a purchase price of (i) US\$150,000,000 in cash (subject to certain adjustments); (ii) a warrant to purchase up to 5% of the common equity of the Purchaser (as defined in the Stalking Horse Agreement (as defined below)), at an exercise price equal to 2.5 times the price of the

equity invested by the Equity Commitment Party (as defined in the Stalking Horse Agreement) in Parent Holdco (as defined in the Stalking Horse Agreement) as of the Closing Date (as defined in the Stalking Horse Agreement); and (iii) the assumption of certain liabilities.

131. After good faith, arm's-length negotiations between the parties and in consultation with their advisors and key stakeholders, the Rockport Group and Charlesbank entered into an Asset Purchase Agreement, dated as of May 13, 2018 (the "**Stalking Horse Agreement**"), pursuant to which Charlesbank will acquire the Purchased Assets (as defined in the Stalking Horse Agreement), subject to higher or otherwise better offers.

132. The Rockport Group anticipates obtaining a bidding procedures order (the "**Bidding Procedures Order**") from the US Court to, among other things:

- (a) establish bidding and auction procedures in connection with the sale of the Rockport Group's assets;
- (b) approve the proposed bid protections, including the payment of a break-up fee in the amount of \$4.5 million, pursuant to the Stalking Horse Agreement;
- (c) reimburse certain expenses of Charlesbank (up to US\$2 million), in accordance with the Stalking Horse Agreement;
- (d) schedule an auction and set a date and time for the sale hearing; and
- (e) establish procedures for notice and to determine cure amounts for contracts and leases to be assumed and assigned in connection with any sale transaction.

133. The anticipated Bidding Procedures Order will also authorize, subject to the results of the auction, entry of an order to (a) approve and authorize a sale to the winning bidder; (b) authorize the assumption and assignment of certain contracts and leases; and (c) authorize the Rockport Group to enter into a transition services agreement, as contemplated by the Stalking Horse Agreement.

134. The anticipated timeline pursuant to the Bidding Procedures Order is:

On or before June 4, 2018	Hearing to consider approval of the bidding procedures and entry of the Bidding Procedures Order
June 27, 2018 at 4:00 pm EST	Sale objection deadline
June 29, 2018 at 5:00 pm EST	Bid deadline
July 3, 2018 at 5:00 pm EST	Deadline for Rockport Group to notify potential bidders of their status as “Qualified Bidders”
July 10, 2018 at 10:00 am EST	Auction to be held at the offices of Richard, Layton & Finger, P.A. (if necessary)
July 11, 2018	Target date for the Rockport Group to file with the US Court the “Notice of Auction Results”
July 13, 2018	Proposed date of the “Sale Hearing” to consider approval of the sale and entry of “Sale Order”
On or after July 27, 2018	Closing Date (unless successful bidder agrees to waive the 14-day stay of the Sale Order)

135. Prior to commencing the US Proceedings and these proceedings, the Rockport Group has conducted a robust marketing effort for its assets. Based on my experience in restructuring matters, in light of the pre-Petition marketing efforts, I believe that the proposed Bidding Procedures Order and the proposed timeline is sufficient to complete a fair and open sale process that will maximize the value received for the assets.

Information Officer

136. Blocker, as foreign representative of the Rockport Group, seeks the appointment of Richter as the Information Officer in these proceedings. Richter is a licensed trustee-in-bankruptcy.

137. In light of the complex corporate and financial structure of the Rockport Group, the stakeholders located in Canada, including Rockport Canada’s employees and the amount of debt owed by the Rockport Group, Blocker, as foreign representative, believes that the appointment of the Information Officer is appropriate in the circumstances to ensure that both the Canadian

Court and Rockport Canada's creditors and stakeholders are kept informed of these proceedings and the Chapter 11 proceedings.

138. The appointment of Richter as the Information Officer is reasonable in the circumstances to ensure that both the Canadian Court and Canadian creditors are kept informed of these proceedings and the US Proceedings. Attached hereto and marked as **Exhibit "AA"** is a true copy of the executed Consent of Richter to act as Information Officer.

Administration Charge

139. Blocker, as foreign representative of the Rockport Group, seeks the granting of an administration charge over the assets of the Rockport Group in Canada with respect to the fees and disbursements of Richter, the Information Officer, and its counsel, Stikeman Elliott LLP, to a maximum of CDN\$300,000 (the "**Administration Charge**").

140. Based on my experience in restructuring matters, I verily believe that the granting of the Administration Charge, and the amount of the charge proposed, is appropriate, fair and reasonable in the circumstances, particularly in light of the complexity of the Rockport Group's business operations and the proposed role of Richter.

141. I understand that Richter requires the Administration Charge as security for their fees in order to act in this matter and that the Administration Charge should rank as a first charge, including in priority to any charge granted for interim financing.

DIP Lender's Charge

142. Pursuant to the Interim DIP Financing Order, the US Court also authorized the Rockport Group to borrow on an interim financing facility and that the funds borrowed under that facility would have super-priority over the assets of the Rockport Group, in priority to all of the Rockport Group's creditors.

143. Based on my review of the DIP Financing Documents, I believe that the lenders will not advance funds under the DIP Financing without a priority charge to secure repayment of the DIP Financing.

144. As noted above, Rockport Canada's assets will only secure the borrowing pursuant to the DIP ABL Financing, and the obligations pursuant to this facility are substantially similar to Rockport Canada's obligations pursuant to the pre-Petition financing documents. In my view, the proposed DIP Lender's Charge in respect of the DIP ABL Financing is appropriate under the circumstances.

SWORN BEFORE ME at City of)
Wilmington in the State of Delaware this)
15th day of May, 2018)

Lesley A. Morris)
_____)
A Notary Public in and for the State of Delaware)

Paul Kosturos)
_____)
PAUL KOSTUROS



Court File No.:

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF ROCKPORT BLOCKER, LLC, THE ROCKPORT GROUP HOLDINGS, LLC, TRG 1-P HOLDINGS, LLC, TRG INTERMEDIATE HOLDINGS, LLC, TRG CLASS D, LLC, THE ROCKPORT GROUP, LLC, THE ROCKPORT COMPANY, LLC, DRYDOCK FOOTWEAR, LLC, DD MANAGEMENT SERVICES LLC AND ROCKPORT CANADA ULC (THE 'DEBTORS')
APPLICATION OF ROCKPORT BLOCKER, LLC, UNDER SECTION 46 OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDINGS COMMENCED AT TORONTO

AFFIDAVIT OF PAUL KOSTUROS
(Sworn May 15, 2018)

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Tab C

THIS IS EXHIBIT "C" TO THE AFFIDAVIT
OF PAUL KOSTUROS SWORN BEFORE ME

ON THIS 13TH DAY OF JUNE, 2018

Lesley A. Morris

A Notary Public in and for the State of Delaware





**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE

MR. JUSTICE MCEWEN

) WEDNESDAY, THE 16TH
)
) DAY OF MAY, 2018

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF ROCKPORT BLOCKER, LLC, THE ROCKPORT GROUP
HOLDINGS, LLC, TRG 1-P HOLDINGS, LLC, TRG INTERMEDIATE HOLDINGS,
LLC, TRG CLASS D, LLC, THE ROCKPORT GROUP, LLC, THE ROCKPORT
COMPANY, LLC, DRYDOCK FOOTWEAR, LLC, DD MANAGEMENT SERVICES
LLC AND ROCKPORT CANADA ULC (THE "DEBTORS")**

**APPLICATION OF ROCKPORT BLOCKER, LLC, UNDER SECTION 46 OF THE
COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED**

**INITIAL RECOGNITION ORDER
(FOREIGN MAIN PROCEEDING)**

THIS APPLICATION, made by Rockport Blocker, LLC in its capacity as the foreign representative (the "**Foreign Representative**") of the Debtors, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an Order substantially in the form enclosed in the Application Record, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Application, the affidavit of Paul Kosturos sworn May 15, 2018, the Pre-Filing Report of Richter Advisory Group Inc., in its capacity as proposed information officer (the "**Proposed Information Officer**") dated May 16, 2018, each filed, and upon being provided with copies of the documents required by s.46 of the CCAA,

AND UPON BEING ADVISED by counsel for the Foreign Representative that in addition to this Initial Recognition Order, a Supplemental Order (Foreign Main Proceeding) is being sought,

AND UPON HEARING the submissions of counsel for the Foreign Representative, counsel for the Proposed Information Officer, counsel for Citizens Business Capital, in its capacity as Administrative Agent and Collateral Agent for the lenders under the Senior Secured Super-Priority Debtor-in-Possession Revolving Credit Agreement, counsel for the Senior Secured Noteholders and DIP Note Lenders, counsel for The Cadillac Fairview Corporation Limited, counsel for RioCan REIT and Ivanhoe Cambridge Inc., and upon no one appearing for any other parties although duly served as appears from the Affidavit of Service of Evita Ferreira sworn May 15, 2018:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

FOREIGN REPRESENTATIVE

2. **THIS COURT ORDERS AND DECLARES** that the Foreign Representative is the "foreign representative" as defined in section 45 of the CCAA of the Debtors in respect of the jointly administered insolvency proceedings (the "**Foreign Proceeding**") of Rockport Blocker, LLC, The Rockport Group Holdings, LLC, TRG 1-P Holdings, LLC, TRG Intermediate Holdings, LLC, TRG Class D, LLC, The Rockport Group, LLC, The Rockport Company, LLC, Drydock Footwear, LLC, DD Management Services LLC and Rockport Canada ULC in the United States Bankruptcy Court for the District of Delaware (the "**U.S. Court**") under Chapter 11 of Title 11 of the United States Code.

CENTRE OF MAIN INTEREST AND RECOGNITION OF FOREIGN PROCEEDING

3. **THIS COURT DECLARES** that the centre of its main interests for each of the Debtors is the United States of America, and that the Foreign Proceeding is hereby recognized as a "foreign main proceeding" as defined in section 45 of the CCAA.

STAY OF PROCEEDINGS

4. **THIS COURT ORDERS** that until otherwise ordered by this Court:

- (a) all proceedings taken or that might be taken against any of the Debtors under the *Bankruptcy and Insolvency Act* or the *Winding-up and Restructuring Act* are stayed;
- (b) further proceedings in any action, suit or proceeding in Canada against any of the Debtors are restrained; and
- (c) the commencement of any action, suit or proceeding in Canada against any of the Debtors is prohibited.

NO SALE OF PROPERTY

5. **THIS COURT ORDERS** that, except with leave of this Court, each of the Debtors is prohibited from selling or otherwise disposing of:

- (a) outside the ordinary course of its business, any of its property in Canada that relates to the business; and
- (b) any of its other property in Canada.

GENERAL

6. **THIS COURT ORDERS** that within 7 days from the date of this Order, or as soon as practicable thereafter, the Information Officer shall cause to be published a notice substantially in the form attached to this Order as Schedule "A", once a week for two consecutive weeks, in *The Globe and Mail* (National Edition).

7. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, to give effect to this Order and to assist the Debtors and the Foreign Representative and their respective counsel and agents in carrying out the terms of this Order.

8. **THIS COURT ORDERS AND DECLARES** that this Order shall be effective as of 12:01 am on the date of this Order.

9. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order or seek other relief on not less than seven (7) days notice to the Debtors and the Foreign Representative and their respective counsel, and to any other party or parties likely to be affected by the order sought, or upon such other notice, if any, as this Court may order.



ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

MAY 16 2018

PER / PAR:



Schedule "A"
Form of Newspaper Notice

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

AND IN THE MATTER OF ROCKPORT BLOCKER, LLC, THE ROCKPORT GROUP HOLDINGS, LLC, TRG 1-P HOLDINGS, LLC, TRG INTERMEDIATE HOLDINGS, LLC, TRG CLASS D, LLC, THE ROCKPORT GROUP, LLC, THE ROCKPORT COMPANY, LLC, DRYDOCK FOOTWEAR, LLC, DD MANAGEMENT SERVICES LLC AND ROCKPORT CANADA ULC (THE "DEBTORS")

APPLICATION OF ROCKPORT BLOCKER, LLC, UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

NOTICE OF INITIAL RECOGNITION ORDER

PLEASE BE ADVISED that this Notice is being published pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "**Canadian Court**"), granted on May 16, 2018 (the "**Initial Recognition Order**").

PLEASE TAKE NOTICE that on May 14, 2018, Rockport Blocker, LLC, The Rockport Group Holdings, LLC, TRG 1-P Holdings, LLC, TRG Intermediate Holdings, LLC, TRG Class D, LLC, The Rockport Group, LLC, The Rockport Company, LLC, Drydock Footwear, LLC, DD Management Services LLC, and Rockport Canada ULC (collectively, the "**Chapter 11 Debtors**") each filed voluntary petitions under chapter 11 of title 11 of the United States Code (collectively, the "**Chapter 11 Proceedings**") in United States Bankruptcy Court for the District of Delaware (the "**U.S. Court**"). In connection with the Chapter 11 Proceedings, the U.S. Court has appointed Rockport Blocker, LLC ("**Rockport Blocker**") as the foreign representative of the Chapter 11 Debtors (the "**Foreign Representative**"). The Foreign Representative's address is 1220 Washington Street, West Newton, Massachusetts 02465. The Debtors carry on business in Canada through Rockport Canada ULC.

PLEASE TAKE FURTHER NOTICE that the Initial Recognition Order and a Supplemental Order (together, the "**Recognition Orders**") have been issued by the Canadian Court under Part IV of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "**CCAA Recognition Proceedings**"), and, among other things: (i) recognize the Chapter 11 Proceedings as a foreign main proceeding; (ii) recognize Rockport Blocker as the Foreign Representative of the Chapter 11 Debtors; (iii) recognize certain orders granted by the U.S. Court in the Chapter 11 Proceedings including the granting of an interim DIP financing order; (iv) stay claims against the Chapter 11 Debtors, their property and their directors and officers in Canada; (v) prohibit the

commencement of any such proceedings in Canada absent further order of the Canadian Court; and (vi) appoint Richter Advisory Group Inc. as the Information Officer with respect to the CCAA Recognition Proceedings.

PLEASE TAKE FURTHER NOTICE that counsel for the Foreign Representative is:

Borden Ladner Gervais LLP

Bay Adelaide Centre, East Tower

22 Adelaide St W, Toronto, ON

Canada M5H 4E3

Attention: Roger Jaipargas

Phone: 416-367-6266

Fax: 416-367-6749

Email: RJaipargas@blg.com

PLEASE TAKE FURTHER NOTICE that persons who wish to receive a copy of the Recognition Orders or obtain any further information in respect thereof or in respect of the matters set forth in this Notice, should contact the Information Officer at the address below:

Richter Advisory Group Inc. (solely in its capacity as Information Officer)

Bay Wellington Tower

181 Bay Street, Suite 3320, Toronto, ON

Canada M5J 2T3

Attention: Adam Sherman

Phone: 416-642-4836

Fax: 514-934-8603

Email: asherman@richter.ca

PLEASE TAKE FURTHER NOTICE that the motions, orders and notices filed with the U.S. Court in the Chapter 11 Proceedings are available at <https://cases.primeclerk.com/rockport>

Prime Clerk LLC

830 Third Avenue, 9th Floor

New York, New York 10022

Attention: Benjamin J. Steele

Phone: 212-257-5490

Email: bsteele@primeclerk.com

PLEASE FINALLY NOTE that the Recognition Orders, and any other orders that may be granted by the Canadian Court, can be viewed at <http://www.richter.ca/en/folder/insolvency-cases/r/rockport-canada>

DATED AT TORONTO, ONTARIO this ____ day of May, 2018.

Richter Advisory Group Inc.

**(solely in its capacity as Information Officer of the Chapter 11 Debtors
and not in its personal or corporate capacity)**

U-18-597987-00CL

Court File No.:

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF ROCKPORT BLOCKER, LLC, THE ROCKPORT GROUP HOLDINGS, LLC, TRG 1-P HOLDINGS, LLC, TRG INTERMEDIATE HOLDINGS, LLC, TRG CLASS D, LLC, THE ROCKPORT GROUP, LLC, THE ROCKPORT COMPANY, LLC, DRYDOCK FOOTWEAR, LLC, DD MANAGEMENT SERVICES LLC AND ROCKPORT CANADA ULC (THE "DEBTORS")

APPLICATION OF ROCKPORT BLOCKER, LLC, UNDER SECTION 46 OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

ONTARIO

**SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

PROCEEDINGS COMMENCED AT TORONTO

**INITIAL RECOGNITION ORDER
(Foreign Main Proceeding – May 16, 2018)**

BORDEN LADNER GERVAIS LLP

Bay Adelaide Centre, East Tower
22 Adelaide Street West
Toronto ON M5H 4E3
Tel: 416-367-6000
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Roger Jaipargas – LSO No. 43275C

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Tel: 416-367-6305
amacfarlane@blg.com

Lawyers for Rockport Blocker, LLC, The Rockport Group Holdings, LLC, TRG 1-P Holdings, LLC, TRG Intermediate Holdings, LLC, TRG Class D, LLC, The Rockport Group, LLC, The Rockport Company, LLC, Drydock Footwear, LLC, DD Management Services LLC and Rockport Canada ULC



CU-18-597987-000
Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE) WEDNESDAY, THE 16TH
MR. JUSTICE MCEWEN) DAY OF MAY, 2018

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF ROCKPORT BLOCKER, LLC, THE ROCKPORT GROUP
HOLDINGS, LLC, TRG 1-P HOLDINGS, LLC, TRG INTERMEDIATE HOLDINGS,
LLC, TRG CLASS D, LLC, THE ROCKPORT GROUP, LLC, THE ROCKPORT
COMPANY, LLC, DRYDOCK FOOTWEAR, LLC, DD MANAGEMENT SERVICES
LLC AND ROCKPORT CANADA ULC (THE "DEBTORS")**

**APPLICATION OF ROCKPORT BLOCKER, LLC, UNDER SECTION 46 OF THE
COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED**

**SUPPLEMENTAL ORDER
(FOREIGN MAIN PROCEEDING)**

THIS APPLICATION, made by Rockport Blocker, LLC in its capacity as the foreign representative (the "**Foreign Representative**") of the Debtors, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an Order substantially in the form enclosed in the Application Record, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Application, the affidavit of Paul Kosturos sworn May 15, 2018 (the "**Kosturos Affidavit**"), the Pre-Filing Report of Richter Advisory Group Inc., in its capacity as proposed information officer (the "**Proposed Information Officer**") dated May 16, 2018, and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Foreign Representative, counsel for the Proposed Information Officer, counsel for Citizens Business

Capital, in its capacity as Administrative Agent and Collateral Agent (the "**DIP ABL Agent**") for the lenders (together with the DIP ABL Agent, the "**DIP ABL Lenders**") under the Senior Secured Super-Priority Debtor-in-Possession Revolving Credit Agreement (the "**DIP ABL Credit Agreement**"), counsel for the Senior Secured Noteholders and DIP Note Lenders, counsel for The Cadillac Fairview Corporation Limited, counsel for RioCan REIT and Ivanhoe Cambridge Inc., and upon no one appearing for any other parties although duly served as appears from the Affidavit of Service of Evita Ferreira sworn May 15, 2018, and on reading the consent of Richter Advisory Group Inc. to act as the information officer:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

INITIAL RECOGNITION ORDER

2. **THIS COURT ORDERS** that any capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Initial Recognition Order (Foreign Main Proceeding) dated May 16, 2018 (the "**Recognition Order**") or in the Kosturos Affidavit.

3. **THIS COURT ORDERS** that the provisions of this Supplemental Order shall be interpreted in a manner complementary and supplementary to the provisions of the Recognition Order, provided that in the event of a conflict between the provisions of this Supplemental Order and the provisions of the Recognition Order, the provisions of the Recognition Order shall govern.

RECOGNITION OF FOREIGN ORDERS

4. **THIS COURT ORDERS** that the following orders (collectively, the "**Foreign Orders**") of the United States Bankruptcy Court for the District of Delaware made in the Foreign Proceeding are hereby recognized and given full force and effect in all provinces and territories of Canada pursuant to Section 49 of the CCAA:

- (a) an order authorizing Rockport Blocker to act as the foreign representative of the Debtors (the "**Foreign Representative Order**");
- (b) an order directing the joint administration of the Chapter 11 cases of the Debtors in the Foreign Proceeding (the "**Joint Administration Order**");
- (c) an order authorizing the retention of Prime Clerk LLC as claims and noticing agent (the "**Claims Agent Order**");
- (d) an order enforcing and restating the automatic stay protections and *ipso facto* prohibitions of the United States Bankruptcy Code (the "**Automatic Stay Order**");
- (e) an interim order authorizing the Debtors to pay all or a portion of the shipping and warehousing claims and certain import charges (the "**Shippers and Warehouse Order**");
- (f) an interim order authorizing, but not directing, the Debtors to pay prepetition obligations of certain critical vendors (the "**Critical Foreign Vendors Order**");
- (g) an interim order authorizing, but not directing, the payment of certain taxes and fees (the "**Taxes Order**");
- (h) an interim order authorizing the Debtors to continue to renew their insurance programs including premium financing and surety bond programs (the "**Insurance Order**");
- (i) an interim order authorizing the Debtors to pay certain employee compensation and benefits and prepetition claims of independent contractors and temporary workers (the "**Wages Order**");
- (j) an interim order authorizing, but not directing, the Debtors to maintain certain customer programs and to honour or pay certain prepetition obligations related to the customer programs during the pendency of the Foreign Proceeding (the "**Customer Program Order**");

- (k) an interim order (i) prohibiting the Debtors utility service providers from altering or discontinuing service; (ii) approving an adequate assurance deposit as adequate assurance of postpetition payment to the utilities; and (iii) establishing procedures for resolving any subsequent request by utilities for additional adequate assurance of payment (the "**Utilities Order**");
- (l) an interim order authorizing the Debtors to, *inter alia*, continue to use their cash management system and bank accounts (the "**Cash Management Order**"); and
- (m) an interim order, *inter alia*, (i) approving postpetition financing; and (ii) granting liens and super-priority administrative expense claim status to the DIP ABL Agent on its behalf and on behalf of the DIP ABL Lenders (the "**Interim DIP Financing Order**");

provided, however, that in the event of any conflict between the terms of the Foreign Orders and the Orders of this Court made in the within proceedings, the Orders of this Court shall govern with respect to Property (as defined below) in Canada. Copies of the Foreign Orders are attached as Exhibits "C" to "O" to the Kosturos Affidavit.

APPOINTMENT OF INFORMATION OFFICER

5. **THIS COURT ORDERS** that Richter Advisory Group Inc. (the "**Information Officer**") is hereby appointed as an officer of this Court, with the powers and duties set out herein.

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

6. **THIS COURT ORDERS** that, subject to paragraph 22, until such date as this Court may order (the "**Stay Period**") no proceeding or enforcement process in any court or tribunal in Canada (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Debtors or affecting their business (the "**Business**") or their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"), except with leave of this Court, and any and all

Proceedings currently under way against or in respect of any of the Debtors or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

7. **THIS COURT ORDERS** that, subject to paragraph 22, during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Debtors, or affecting the Business or the Property, are hereby stayed and suspended except with leave of this Court, provided that nothing in this Order shall (i) prevent the assertion of or the exercise of rights and remedies outside of Canada, (ii) empower any of the Debtors to carry on any business in Canada which that Debtor is not lawfully entitled to carry on, (iii) affect such investigations or Proceedings by a regulatory body as are permitted by section 11.1 of the CCAA, (iv) prevent the filing of any registration to preserve or perfect a security interest, or (v) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

8. **THIS COURT ORDERS** that, subject to paragraph 22, during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by any of the Debtors and affecting the Business in Canada, except with leave of this Court.

ADDITIONAL PROTECTIONS

9. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Debtors or statutory or regulatory mandates for the supply of goods and/or services in Canada, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services provided in respect of the Property or Business of the Debtors, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Debtors, and that the Debtors shall be entitled to the continued use in Canada of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names.

10. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Debtors with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Debtors whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations.

11. **THIS COURT ORDERS** that no Proceeding shall be commenced or continued against or in respect of the Information Officer, except with leave of this Court. In addition to the rights and protections afforded the Information Officer herein, or as an officer of this Court, the Information Officer shall have the benefit of all of the rights and protections afforded to a Monitor under the CCAA, and shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part.

OTHER PROVISIONS RELATING TO INFORMATION OFFICER

12. **THIS COURT ORDERS** that the Information Officer:

- (a) is hereby authorized to provide such assistance to the Foreign Representative in the performance of its duties as the Foreign Representative may reasonably request;
- (b) shall report to this Court at least once every three months with respect to the status of these proceedings and the status of the Foreign Proceeding, which reports may include information relating to the Property, the Business, or such other matters as may be relevant to the proceedings herein;
- (c) in addition to the periodic reports referred to in paragraph 12(b) above, the Information Officer may report to this Court at such other times and intervals as the Information Officer may deem appropriate with respect to any of the matters referred to in paragraph 12(b) above;

- (d) shall have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Debtors, to the extent that is necessary to perform its duties arising under this Order; and
- (e) shall be at liberty to engage independent legal counsel or such other persons as the Information Officer deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order.

13. **THIS COURT ORDERS** that the Debtors and the Foreign Representative shall (i) advise the Information Officer of all material steps taken by the Debtors or the Foreign Representative in these proceedings or in the Foreign Proceeding, (ii) co-operate fully with the Information Officer in the exercise of its powers and discharge of its obligations, and (iii) provide the Information Officer with the assistance that is necessary to enable the Information Officer to adequately carry out its functions.

14. **THIS COURT ORDERS** that the Information Officer shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

15. **THIS COURT ORDERS** that the Information Officer (i) shall post on its website all Orders of this Court made in these proceedings, all reports of the Information Officer filed herein, and such other materials as this Court may order from time to time, and (ii) may post on its website any other materials that the Information Officer deems appropriate.

16. **THIS COURT ORDERS** that the Information Officer may provide any creditor of a Debtor with information provided by the Debtors in response to reasonable requests for information made in writing by such creditor addressed to the Information Officer. The Information Officer shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Information Officer has been advised by the Debtors is privileged or confidential, the Information Officer shall not provide such information to creditors unless otherwise directed by this Court or on

such terms as the Information Officer, the Foreign Representative and the relevant Debtors may agree.

17. **THIS COURT ORDERS** that the Information Officer and counsel to the Information Officer shall be paid by the Debtors their reasonable fees and disbursements incurred in respect of these proceedings, both before and after the making of this Order, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts. The Debtors are hereby authorized and directed to pay the accounts of the Information Officer and counsel for the Information Officer and, in addition, the Debtors are hereby authorized to pay to the Information Officer and counsel to the Information Officer, retainers in the amounts of \$50,000, respectively, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

18. **THIS COURT ORDERS** that the Information Officer and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Information Officer and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice, and the accounts of the Information Officer and its counsel shall not be subject to approval in the Foreign Proceeding.

19. **THIS COURT ORDERS** that the Information Officer and counsel to the Information Officer, if any, shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property in Canada, which charge shall not exceed an aggregate amount of \$300,000, as security for their professional fees and disbursements incurred in respect of these proceedings, both before and after the making of this Order. The Administration Charge shall have the priority set out in paragraphs 21 and 23 hereof.

INTERIM FINANCING

20. **THIS COURT ORDERS** that the DIP ABL Lenders shall be entitled to the benefit of and are hereby granted a hypothec and charge (the "**DIP Lenders' Charge**") on the Property in Canada, which DIP Lenders' Charge shall be consistent with the liens and charges created by the DIP ABL Credit Agreement and the Interim DIP Financing Order, provided however that the DIP Lenders' Charge, with respect to the Property in Canada, shall have the priority set out in

paragraphs 21 and 23 hereof, and further provided that the DIP Lenders' Charge shall not be enforced unless the DIP ABL Agent delivers a Default Notice (as such term is defined in the Interim DIP Financing Order) and otherwise complies with the procedure set out in paragraph 27 of the Interim DIP Financing Order.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

21. **THIS COURT ORDERS** that the priorities of the Administration Charge and the DIP Lenders' Charge, as among them, shall be as follows:

First – Administration Charge to the maximum amount of \$300,000; and

Second – DIP Lenders' Charge to the maximum amount of US\$60,000,000.

22. **THIS COURT ORDERS** that notwithstanding any other provision of this Order or the Recognition Order:

- (a) the DIP ABL Lenders may, but are not required to, take such steps from time to time as it may deem necessary or appropriate to file, register, or record the DIP Lenders' Charge or any of the related documents;
- (b) the DIP ABL Lenders may administer the DIP ABL Facility in accordance with the terms of the DIP ABL Credit Agreement and the Interim DIP Financing Order;
- (c) upon the occurrence of an Event of Default (as defined in the DIP ABL Credit Agreement), provided the DIP ABL Lenders are authorized to do so pursuant to the Interim DIP Financing Order, and subject to any notice requirements in the Interim DIP Financing Order, the DIP ABL Lenders may exercise their rights and remedies under the DIP ABL Credit Agreement and the Interim DIP Financing Order, subject to and in accordance with the terms and conditions thereof in respect of the Property of the Debtors located in Canada without further application to this Court; and

- (d) the foregoing rights and remedies of the DIP ABL Lenders shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of any of the Debtors or the Property.

23. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge or the DIP Lenders' Charge (collectively, the "**Charges**") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect the Charges.

24. **THIS COURT ORDERS** that each of the Charges (all as constituted and defined herein) shall constitute a charge on the Property in Canada and such Charges shall rank in priority to all other security interests, hypothecs, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.

25. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Debtors shall not grant any Encumbrances over any Property in Canada that rank in priority to, or *pari passu* with, the Charges, unless the Debtors also obtain the prior written consent of the Information Officer and the DIP ABL Lenders.

26. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") shall not otherwise be limited or impaired in any way by (i) the pendency of these proceedings and the declarations of insolvency made herein; (ii) any application(s) for bankruptcy order(s) issued pursuant to the *Bankruptcy and Insolvency Act (Canada)*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), or any bankruptcy order made pursuant to such applications; (iii) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (iv) the provisions of any federal or provincial statutes; or (v) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds any Debtor, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Charges shall not create or be deemed to constitute a breach by a Debtor of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and
- (c) the payments made by the Debtors to the Chargees pursuant to this Order and the Interim DIP Financing Order, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

27. **THIS COURT ORDERS** that any Charges created by this Order over leases of real property in Canada shall only be a charge in the applicable Debtor's interest in such real property leases.

28. **THIS COURT ORDERS** that the Debtors are authorized and empowered to execute and deliver such deeds of hypothec, Canadian security agreements, and other definitive documents as are contemplated by the DIP ABL Credit Agreement or as may be reasonably required by the DIP ABL Lenders pursuant to the terms of the DIP ABL Credit Agreement.

SERVICE AND NOTICE

29. **THIS COURT ORDERS** that the Debtors, the Foreign Representative, the Information Officer and their counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Debtors' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the Electronic Commerce Protection Regulations, Reg. 81000-2-175 (SOR/DORS).

30. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL '<http://www.richter.ca/Folder/Insolvency-Cases/R/Rockport-Canada>'.

31. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Debtors, the Foreign Representative and the Information Officer are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the applicable Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

32. **THIS COURT ORDERS** that the Information Officer may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

33. **THIS COURT ORDERS** that nothing in this Order shall prevent the Information Officer from acting as an interim receiver, a receiver, a receiver and manager, a monitor, a proposal trustee, or a trustee in bankruptcy of any Debtor, the Business or the Property.

34. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States of America, to give effect to this Order and to assist the Debtors, the Foreign Representative, the

Information Officer, and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Debtors, the Foreign Representative, and the Information Officer, the latter as an officer of this Court, as may be necessary or desirable to give effect to this Order, or to assist the Debtors, the Foreign Representative, and the Information Officer and their respective agents in carrying out the terms of this Order.

35. **THIS COURT ORDERS** that each of the Debtors, the Foreign Representative and the Information Officer be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

36. **THIS COURT ORDERS** that the Guidelines for Court-to-Court Communications in Cross-Border Cases developed by the American Law Institute and attached as Schedule "A" hereto is adopted by this Court for the purposes of these recognition proceedings.

37. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order or seek other relief on not less than seven (7) days notice to the Debtors, the Foreign Representative, the Information Officer, the DIP ABL Agent and the Senior Secured Noteholders and their respective counsel, and to any other party or parties likely to be affected by the order sought, or upon such other notice, if any, as this Court may order.

38. **THIS COURT ORDERS** that, notwithstanding paragraph 36, no Order shall be made varying, rescinding or otherwise affecting the provisions of this Order with respect to the DIP ABL Credit Agreement and the DIP Lenders' Charge unless notice of a motion for such Order is served in accordance with paragraph 36 above and is returnable no later than the date of the hearing for the Final Order (as defined in the Interim DIP Financing Order), or the Debtors, the Foreign Representative and the DIP ABL Lenders consent to such Order.

39. **THIS COURT ORDERS** that this Order shall be effective as of 12:01 am on the date of this Order.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

MAY 16 2018

~~McE~~
TM

Schedule "A"

**Guidelines for Court-to-Court Communications in Cross-Border Cases
developed by the American Law Institute**

THE AMERICAN LAW INSTITUTE

TRANSNATIONAL INSOLVENCY:
COOPERATION AMONG
THE NAFTA COUNTRIES

PRINCIPLES OF
COOPERATION AMONG
THE
NAFTA COUNTRIES

**Guidelines Applicable to Court-to-Court Communications in
Cross-Border Cases**

As Adopted and Promulgated
BY
THE AMERICAN LAW INSTITUTE
AT WASHINGTON, D.C.

May 16, 2000



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**Guidelines
Applicable to Court-to-Court Communications
in Cross-Border Cases**

Introduction:

One of the most essential elements of cooperation in cross-border cases is communication among the administering authorities of the countries involved. Because of the importance of the courts in insolvency and reorganization proceedings, it is even more essential that the supervising courts be able to coordinate their activities to assure the maximum available benefit for the stakeholders of financially troubled enterprises.

These Guidelines are intended to enhance coordination and harmonization of insolvency proceedings that involve more than one country through communications among the jurisdictions involved. Communications by judges directly with judges or administrators in a foreign country, however, raise issues of credibility and proper procedures. The context alone is likely to create concern in litigants unless the process is transparent and clearly fair. Thus, communication among courts in cross-border cases is both more important and more sensitive than in domestic cases. These Guidelines encourage such communications while channeling them through transparent procedures. The Guidelines are meant to permit rapid cooperation in a developing insolvency case while ensuring due process to all concerned.

The Guidelines at this time contemplate application only between Canada and the United States because of the very different rules governing communications with and among courts in Mexico. Nonetheless, a Mexican Court might choose to adopt some or all of these Guidelines for communications by a *sindico* with foreign administrators or courts.

A Court intending to employ the Guidelines — in whole or part, with or without modifications — should adopt them formally before applying them. A Court may wish to make its adoption of the Guidelines contingent upon, or temporary until, their adoption by other courts concerned in the matter. The adopting Court may want to make adoption or continuance conditional upon adoption of the Guidelines by the other Court in a substantially similar form, to ensure that judges, counsel, and parties are not subject to different standards of conduct.

The Guidelines should be adopted following such notice to the parties and counsel as would be given under local procedures with regard to any important procedural decision under similar circumstances. If communication with other courts is urgently needed, the local procedures, including notice requirements, that are used in urgent or emergency situations should be employed, including, if appropriate, an initial period of effectiveness, followed by further consideration of the Guidelines at a later time. Questions about the parties entitled to such notice (for example, all parties or representative parties or representative counsel) and the nature of the court's

consideration of any objections (for example, with or without a hearing) are governed by the Rules of Procedure in each jurisdiction and are not addressed in the Guidelines.

The Guidelines are not meant to be static, but are meant to be adapted and modified to fit the circumstances of individual cases and to change and evolve as the international insolvency community gains experience from working with them. They are to apply only in a manner that is consistent with local procedures and local ethical requirements. They do not address the details of notice and procedure that depend upon the law and practice in each jurisdiction. However, the Guidelines represent approaches that are likely to be highly useful in achieving efficient and just resolutions of cross-border insolvency issues. Their use, with such modifications and under such circumstances as may be appropriate in a particular case, is therefore recommended.

Guideline 1

Except in circumstances of urgency, prior to a communication with another Court, the Court should be satisfied that such a communication is consistent with all applicable Rules of Procedure in its country. Where a Court intends to apply these Guidelines (in whole or in part and with or without modifications), the Guidelines to be employed should, wherever possible, be formally adopted before they are applied. Coordination of Guidelines between courts is desirable and officials of both courts may communicate in accordance with Guideline 8(d) with regard to the application and implementation of the Guidelines.

Guideline 2

A Court may communicate with another Court in connection with matters relating to proceedings before it for the purposes of coordinating and harmonizing proceedings before it with those in the other jurisdiction.

Guideline 3

A Court may communicate with an Insolvency Administrator in another jurisdiction or an authorized Representative of the Court in that jurisdiction in connection with the coordination and harmonization of the proceedings before it with the proceedings in the other jurisdiction.

Guideline 4

A Court may permit a duly authorized Insolvency Administrator to communicate with a foreign Court directly, subject to the approval of the foreign Court, or through an Insolvency Administrator in the other jurisdiction or through an authorized Representative of the foreign Court on such terms as the Court considers appropriate.

Guideline 5

A Court may receive communications from a foreign Court or from an authorized Representative of the foreign Court or from a foreign Insolvency Administrator and

should respond directly if the communication is from a foreign Court (subject to Guideline 7 in the case of two-way communications) and may respond directly or through an authorized Representative of the Court or through a duly authorized Insolvency Administrator if the communication is from a foreign Insolvency Administrator, subject to local rules concerning ex parte communications.

Guideline 6

Communications from a Court to another Court may take place by or through the Court:

- (a) Sending or transmitting copies of formal orders, judgments, opinions, reasons for decision, endorsements, transcripts of proceedings, or other documents directly to the other Court and providing advance notice to counsel for affected parties in such manner as the Court considers appropriate;
- (b) Directing counsel or a foreign or domestic Insolvency Administrator to transmit or deliver copies of documents, pleadings, affidavits, factums, briefs, or other documents that are filed or to be filed with the Court to the other Court in such fashion as may be appropriate and providing advance notice to counsel for affected parties in such manner as the Court considers appropriate;
- (c) Participating in two-way communications with the other Court by telephone or video conference call or other electronic means, in which case Guideline 7 should apply.

Guideline 7

In the event of communications between the Courts in accordance with Guidelines 2 and 5 by means of telephone or video conference call or other electronic means, unless otherwise directed by either of the two Courts:

- (a) Counsel for all affected parties should be entitled to participate in person during the communication and advance notice of the communication should be given to all parties in accordance with the Rules of Procedure applicable in each Court;
- (b) The communication between the Courts should be recorded and may be transcribed. A written transcript may be prepared from a recording of the communication which, with the approval of both Courts, should be treated as an official transcript of the communication;
- (c) Copies of any recording of the communication, of any transcript of the communication prepared pursuant to any Direction of either Court, and of any official transcript prepared from a recording should be filed as part of the record in the proceedings and made available to counsel for all parties

in both Courts subject to such Directions as to confidentiality as the Courts may consider appropriate; and

- (d) The time and place for communications between the Courts should be to the satisfaction of both Courts. Personnel other than Judges in each Court may communicate fully with each other to establish appropriate arrangements for the communication without the necessity for participation by counsel unless otherwise ordered by either of the Courts.

Guideline 8

In the event of communications between the Court and an authorized Representative of the foreign Court or a foreign Insolvency Administrator in accordance with Guidelines 3 and 5 by means of telephone or video conference call or other electronic means, unless otherwise directed by the Court:

- (a) Counsel for all affected parties should be entitled to participate in person during the communication and advance notice of the communication should be given to all parties in accordance with the Rules of Procedure applicable in each Court;
- (b) The communication should be recorded and may be transcribed. A written transcript may be prepared from a recording of the communication which, with the approval of the Court, can be treated as an official transcript of the communication;
- (c) Copies of any recording of the communication, of any transcript of the communication prepared pursuant to any Direction of the Court, and of any official transcript prepared from a recording should be filed as part of the record in the proceedings and made available to the other Court and to counsel for all parties in both Courts subject to such Directions as to confidentiality as the Court may consider appropriate; and
- (d) The time and place for the communication should be to the satisfaction of the Court. Personnel of the Court other than Judges may communicate fully with the authorized Representative of the foreign Court or the foreign Insolvency Administrator to establish appropriate arrangements for the communication without the necessity for participation by counsel unless otherwise ordered by the Court.

Guideline 9

A Court may conduct a joint hearing with another Court. In connection with any such joint hearing, the following should apply, unless otherwise ordered or unless otherwise provided in any previously approved Protocol applicable to such joint hearing:

- (a) Each Court should be able to simultaneously hear the proceedings in the other Court.

- (b) Evidentiary or written materials filed or to be filed in one Court should, in accordance with the Directions of that Court, be transmitted to the other Court or made available electronically in a publicly accessible system in advance of the hearing. Transmittal of such material to the other Court or its public availability in an electronic system should not subject the party filing the material in one Court to the jurisdiction of the other Court.
- (c) Submissions or applications by the representative of any party should be made only to the Court in which the representative making the submissions is appearing unless the representative is specifically given permission by the other Court to make submissions to it.
- (d) Subject to Guideline 7(b), the Court should be entitled to communicate with the other Court in advance of a joint hearing, with or without counsel being present, to establish Guidelines for the orderly making of submissions and rendering of decisions by the Courts, and to coordinate and resolve any procedural, administrative, or preliminary matters relating to the joint hearing.
- (e) Subject to Guideline 7(b), the Court, subsequent to the joint hearing, should be entitled to communicate with the other Court, with or without counsel present, for the purpose of determining whether coordinated orders could be made by both Courts and to coordinate and resolve any procedural or nonsubstantive matters relating to the joint hearing.

Guideline 10

The Court should, except upon proper objection on valid grounds and then only to the extent of such objection, recognize and accept as authentic the provisions of statutes, statutory or administrative regulations, and rules of court of general application applicable to the proceedings in the other jurisdiction without the need for further proof or exemplification thereof.

Guideline 11

The Court should, except upon proper objection on valid grounds and then only to the extent of such objection, accept that Orders made in the proceedings in the other jurisdiction were duly and properly made or entered on or about their respective dates and accept that such Orders require no further proof or exemplification for purposes of the proceedings before it, subject to all such proper reservations as in the opinion of the Court are appropriate regarding proceedings by way of appeal or review that are actually pending in respect of any such Orders.

Guideline 12

The Court may coordinate proceedings before it with proceedings in another jurisdiction by establishing a Service List that may include parties that are entitled to receive notice of proceedings before the Court in the other jurisdiction ("Non-Resident

Parties”). All notices, applications, motions, and other materials served for purposes of the proceedings before the Court may be ordered to also be provided to or served on the Non-Resident Parties by making such materials available electronically in a publicly accessible system or by facsimile transmission, certified or registered mail or delivery by courier, or in such other manner as may be directed by the Court in accordance with the procedures applicable in the Court.

Guideline 13

The Court may issue an Order or issue Directions permitting the foreign Insolvency Administrator or a representative of creditors in the proceedings in the other jurisdiction or an authorized Representative of the Court in the other jurisdiction to appear and be heard by the Court without thereby becoming subject to the jurisdiction of the Court.

Guideline 14

The Court may direct that any stay of proceedings affecting the parties before it shall, subject to further order of the Court, not apply to applications or motions brought by such parties before the other Court or that relief be granted to permit such parties to bring such applications or motions before the other Court on such terms and conditions as it considers appropriate. Court-to-Court communications in accordance with Guidelines 6 and 7 hereof may take place if an application or motion brought before the Court affects or might affect issues or proceedings in the Court in the other jurisdiction.

Guideline 15

A Court may communicate with a Court in another jurisdiction or with an authorized Representative of such Court in the manner prescribed by these Guidelines for purposes of coordinating and harmonizing proceedings before it with proceedings in the other jurisdiction regardless of the form of the proceedings before it or before the other Court wherever there is commonality among the issues and/or the parties in the proceedings. The Court should, absent compelling reasons to the contrary, so communicate with the Court in the other jurisdiction where the interests of justice so require.

Guideline 16

Directions issued by the Court under these Guidelines are subject to such amendments, modifications, and extensions as may be considered appropriate by the Court for the purposes described above and to reflect the changes and developments from time to time in the proceedings before it and before the other Court. Any Directions may be supplemented, modified, and restated from time to time and such modifications, amendments, and restatements should become effective upon being accepted by both Courts. If either Court intends to supplement, change, or abrogate Directions issued under these Guidelines in the absence of joint approval by both Courts, the Court should give the other Courts involved reasonable notice of its intention to do so.

Guideline 17

Arrangements contemplated under these Guidelines do not constitute a compromise or waiver by the Court of any powers, responsibilities, or authority and do not constitute a substantive determination of any matter in controversy before the Court or before the other Court nor a waiver by any of the parties of any of their substantive rights and claims or a diminution of the effect of any of the Orders made by the Court or the other Court.

CV18-597987-000

Court File No.:

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF ROCKPORT BLOCKER, LLC, THE ROCKPORT GROUP HOLDINGS, LLC, TRG 1-P HOLDINGS, LLC, TRG INTERMEDIATE HOLDINGS, LLC, TRG CLASS D, LLC, THE ROCKPORT GROUP, LLC, THE ROCKPORT COMPANY, LLC, DRYDOCK FOOTWEAR, LLC, DD MANAGEMENT SERVICES LLC AND ROCKPORT CANADA ULC (THE "DEBTORS")
APPLICATION OF ROCKPORT BLOCKER, LLC, UNDER SECTION 46 OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
PROCEEDINGS COMMENCED AT TORONTO

SUPPLEMENTAL ORDER
(Foreign Main Proceeding - May 16, 2018)

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Court File No.: IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF ROCKPORT BLOCKER, LLC, THE ROCKPORT GROUP HOLDINGS, LLC, TRG 1-P HOLDINGS, LLC, TRG INTERMEDIATE HOLDINGS, LLC, TRG CLASS D, LLC, THE ROCKPORT GROUP, LLC, THE ROCKPORT COMPANY, LLC, DRYDOCK FOOTWEAR, LLC, DD MANAGEMENT SERVICES LLC AND ROCKPORT CANADA ULC (THE "DEBTORS")

APPLICATION OF ROCKPORT BLOCKER, LLC, UNDER SECTION 46 OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

16 May 18

The Initial Recognition Order and Supplemental order shall remain on proposed basis, as per the draft Order proposed.

With respect to the first order I am satisfied that I have jurisdiction + that the COMI is in the U.S. I am also satisfied that the officer relates to a foreign main proceeding and the Applicant is a foreign corp.

With respect to the second order, I am satisfied that the foreign orders ought to be reviewed. And the additional provisions are sensible. The Apple Share IS is I remain satisfied

TOR01: 7395961: v2

MCB

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
PROCEEDINGS COMMENCED AT TORONTO

APPLICATION RECORD
(Volume 1 of 3)
(Returnable May 16, 2018)

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Tab D

THIS IS EXHIBIT "D" TO THE AFFIDAVIT
OF PAUL KOSTUROS SWORN BEFORE ME

ON THIS 13TH DAY OF JUNE, 2018

Wesley A. Morris

A Notary Public in and for the State of Delaware



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. ¹	)	Jointly Administered	
)		
	)	Re: Docket No. 24	

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**”)² 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

¹ 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.

² 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:

June 28, 2018 at 4:00 p.m. (prevailing Eastern Time)	Sale Objection Deadline
June 29, 2018 at 5:00 p.m. (prevailing Eastern Time)	Bid Deadline
July 3, 2018 at 5:00 p.m. (prevailing Eastern Time)	Deadline for Debtors to notify Potential Bidders of their status as Qualified Bidders
July 10, 2018 at 10:00 a.m. (prevailing Eastern Time)	Auction to be held at the offices of Richard, Layton & Finger, P.A. (if necessary)
July 11, 2018	Target date for the Debtors to file with the Court the Notice of Auction Results
July 16, 2018	Proposed date of the Sale Hearing to consider approval of Sale and entry of Sale Order
On or after July 27, 2018	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, 17th 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, 6th 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., 8th 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, 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; (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, 17th 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, 6th 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., 8th 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 ^f 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, 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, 17th 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 (a) Riemer Braunstein LLP, Three Center Plaza, 6th 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., 8th 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 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).

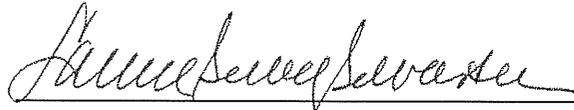
31. To the extent any provisions of this Order are inconsistent with the Motion, the terms of this Order shall control. To the extent any provisions of this Order are inconsistent with the Bidding Procedures, the terms of this Order shall control.

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



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**”),¹ 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):

¹ 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, 20th 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, 17th 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, 6th 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., 8th 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. ¹	)	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.³

¹ 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.

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

³ 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.

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. 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, 17th 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, 6th 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., 8th 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.

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

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. *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, 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, 17th 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, 6th 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., 8th 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. 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
merchant@rlf.com
steele@rlf.com
schlauch@rlf.com
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 in this Agreement at the Auction.

Tab E

THIS IS EXHIBIT "E" TO THE AFFIDAVIT
OF PAUL KOSTUROS SWORN BEFORE ME

ON THIS 13TH DAY OF JUNE, 2018

Lesley A. Morris

A Notary Public in and for the State of Delaware



2012; and the Court having authority to hear the matters raised in the Motion pursuant to 28 U.S.C. § 157; and the Court having venue pursuant to 28 U.S.C. §§ 1408 and 1409; and consideration of the Motion and the requested relief being a core proceeding that the Court can determine pursuant to 28 U.S.C. § 157(b)(2); and due and proper notice of the Motion and opportunity for a hearing on the Motion having been given to the parties listed therein, and it appearing that no other or further notice need be provided; and the Court having reviewed and considered the Motion; and the Court having found that the relief requested in the Motion is in the best interests of the Debtors, their creditors, their estates and all other parties in interest; and upon the record herein; and after due deliberation and sufficient cause appearing therefor,

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. Except as otherwise provided in this Order, the Debtors are authorized, but not directed, in their discretion and business judgment, to proceed with the Store Closing Sales in accordance with the Store Closing Sale Guidelines attached hereto as Exhibit 1, which Store Closing Sale Guidelines are hereby approved in their entirety; *provided, however*, that, absent the written consent of the Stalking Horse Bidder (which may be provided in an email), the Debtors may not commence the Store Closing Sales at any of the Closing Stores until the expiration of the No Liquidation Period under Section 8.14 of the Stalking Horse Agreement. The failure to include specifically any particular provision of the Store Closing Sale Guidelines in this Order shall not diminish or impair the effectiveness of such provisions. Nothing in this Order should be construed as requiring the Debtors to conduct a Store Closing Sale at any particular store, to cease operations at any particular Closing Store, or to assume or reject the lease that the Debtors

maintain with any particular landlord of a Closing Store. The Debtors are authorized, in their discretion and business judgment, to enter into an agreement with any landlord modifying the Store Closing Sale Guidelines with respect to a specific Closing Store (a “**Landlord Agreement**”); *provided* that (i) any Landlord Agreement shall not have a material adverse effect on the Debtors or their estates and (ii) no Landlord Agreement shall modify paragraph 7 of the Store Closing Guidelines. Notwithstanding anything in this Order to the contrary, the Debtors may at any time decide not to commence a Store Closing Sale at a particular Closing Store or to terminate a Store Closing Sale that has already commenced if, in the exercise of their business judgment, they deem it appropriate to do so in order to comply with their obligations under the Stalking Horse Agreement or to otherwise maximize the value received by the Debtors and their estates in connection with these Chapter 11 Cases.

4. The Store Closing Sale Guidelines shall apply to all Store Closing Sales of the North American Retail Assets at the Closing Stores.

5. Pursuant to Section 363(f) of the Bankruptcy Code, the Debtors are authorized to sell the North American Retail Assets in accordance with the Store Closing Sale Guidelines free and clear of any and all liens, claims, interests, or encumbrances of any kind or nature (including, without limitation, any and all “claims” as defined in section 101(5) of the Bankruptcy Code) (collectively, the “**Liens and Claims**”), with such Liens and Claims, if any, to attach to the proceeds of such assets with the same validity and enforceability, to the same extent, subject to the same defenses, and with the same amount and priority as they attached to such assets immediately before the closing of the applicable sale. At the conclusion of the Store Closing Sales, the Debtors are authorized, in their discretion and business judgment, to sell any inventory

remaining at the Closing Stores to retail “jobbers” for resale to other retailers, or such other liquidator or broker in the Debtors’ discretion.

6. Except as provided herein, neither the Debtors nor any of their officers, employees, or agents shall be required to obtain the approval of any third party, including, without limitation, any Governmental Unit (as defined in Section 101(27) of the Bankruptcy Code) or any landlord of a Closing Store, to conduct the Store Closing Sales at the Closing Stores and to perform any related activities in accordance with the Store Closing Sale Guidelines or applicable Landlord Agreement.

7. Except for any Landlord Agreement, any restrictions in any lease agreement, restrictive covenant, or similar documents purporting to limit, condition, or impair the Debtors’ ability to conduct the Store Closing Sales shall not be enforceable, nor shall any breach of such provisions during the Chapter 11 Cases constitute a default under a lease or provide a basis to terminate the lease; *provided* that the Store Closing Sales are conducted in accordance with the terms of this Order, the Store Closing Sale Guidelines, and any applicable Landlord Agreement.

8. All newspapers and other advertising media in which the Store Closing Sales might be advertised, all Governmental Units (whether a federal, state, or local agency, departmental or such other governmental unit), and all landlords of the Closing Stores are directed to accept this Order as binding authority so as to authorize the Debtors to conduct the Store Closing Sales pursuant to the Store Closing Sale Guidelines, including, but not limited to, to conduct and advertise the Store Closing Sales in the manner contemplated by and in accordance with this Order, the Store Closing Sale Guidelines, and any Landlord Agreement.

9. The Debtors are hereby authorized to take all actions as may be necessary and appropriate to implement the Store Closing Sales and Store Closing Sale Guidelines, including,

but not limited to, advertising the sales as a “store closing,” “everything must go,” or similar themed sale through the posting of signs, in each case in accordance with the Store Closing Sale Guidelines and any Landlord Agreement, notwithstanding any applicable non-bankruptcy laws that restrict such sales and activities, including but not limited to any applicable Liquidation Sale Laws. Given such exemption, and in light of the provisions in such Liquidation Sale Laws that exempt court-ordered sales from their provisions, the Debtors and any affected landlord of the applicable Closing Store shall be presumed to be in compliance with any Liquidation Sale Laws without any further showing of compliance therewith; *provided* that the Debtors conduct the Store Closing Sales in compliance with terms of this Order and the Store Closing Sale Guidelines. Within three (3) business days after entry of this Order, or within a reasonable time thereafter, the Debtors shall serve copies of this Order and the Store Closing Sale Guidelines via email or first-class mail on: (a) the Attorney General’s office for each state where a Closing Store is located; (b) the county consumer protection agency or similar agency for each county where a Closing Store is located; (c) the division of consumer protection for each state where a Closing Store is located; (d) the chief legal counsel for the local jurisdiction where a Closing Store is located; and (e) the landlords for the Closing Stores.

10. To the extent that a dispute arises during the course of the Store Closing Sales regarding the Debtors’ compliance with any Liquidation Sale Law, and the Debtors are unable to resolve the matter consensually with the applicable Governmental Unit, either party may request a telephonic hearing with this Court pursuant to these provisions after providing written notice to the other party, the affected landlord for the applicable Closing Store, and the Stalking Horse Bidder. Such hearing will, to the extent practicable, be scheduled within three (3) business days’ of such request. This scheduling shall not be deemed to preclude additional hearings for the

presentation of evidence or arguments as necessary. The above-described procedures shall also apply to any dispute that arises between the Debtors and a Governmental Unit regarding whether a particular law is a Liquidation Sale Law.

11. To the extent that the Debtors are subject to any Wage Laws in connection with the Store Closing Sales and the termination of employees at the Closing Stores, the Debtors shall be presumed to be in compliance with the Wage Laws to the extent, in applicable states, such payroll payments are made by the later of: (a) the Debtors' next regularly scheduled payroll; and (b) seven (7) calendar days following the termination date of the relevant employee, and in all such cases consistent with, and subject to, any previous orders of this Court regarding the payment of same.

12. The Debtors are hereby authorized to pay the Store Closing Bonuses to store-level employees who are employed by the Debtors during the Store Closing Sales and who remain employed through the conclusion of the Store Closing Sale at the applicable Store. The Debtors shall have the authority to determine the individual amounts of each Store Closing Bonus, except that the total aggregate cost of the Store Closing Bonuses shall not exceed \$300,000 absent further order of the Court.

13. Nothing in this Order releases the Debtors from complying with laws and regulations of general applicability, including, without limitation, public health and safety, criminal, tax, labor, employment, environmental, antitrust, fair competition, traffic and consumer protection laws, including consumer laws regulating deceptive practices and false advertising.

14. Nothing in this Order releases the Debtors from complying with all obligations of the Debtors under the applicable leases at the Closing Stores as required under Section 365(d)(3) of the Bankruptcy Code.

15. Except as provided in this Order, the Store Closing Sale Guidelines, or any Landlord Agreement, no person or entity, including, but not limited to utilities, landlords, creditors and all persons acting for or on their behalf shall interfere with or otherwise impede the conduct of the Store Closing Sales, or institute any action against the Debtors or landlords in any court (other than in this Court) or before any administrative body which in any way directly or indirectly interferes with, obstructs, or otherwise impedes the conduct of the Store Closing Sales; *provided* that the Store Closing Sales are conducted in accordance with the terms of this Order, the Store Closing Sale Guidelines, and any Landlord Agreement. State and local authorities shall not fine, assess, or otherwise penalize the Debtors or any of the landlords of the Closing Stores in connection with the conduct or advertisement of the Store Closing Sales; *provided* that the Store Closing Sales are conducted in accordance with this Order and the Store Closing Sale Guidelines.

16. All Store Closing Sales shall be “as is” and final. Conspicuous signs stating that “all sales are final” and “as is” will be posted at the cash register areas of all Closing Stores. Notwithstanding the foregoing, all state and federal laws relating to implied warranties for latent defects shall be complied with and are not superseded by the sale of such goods or the use of the terms “as is” or “final sale.” At the Closing Stores, the Debtors shall accept return of any goods purchased during the Store Closing Sales that contain a defect that the lay consumer could not reasonably determine was defective by visual inspection prior to purchase for a full refund; *provided* that the consumer must return the merchandise within seven (7) days of purchase, the consumer must provide a receipt, and the asserted defect must in fact be a “latent” defect. Merchandise purchased in a Store Closing Sale at one of the Debtors’ North American retail stores may be returned to another such Store during the Store Closing Sales. Similarly,

merchandise purchased through the Debtors' wholesale or eCommerce businesses may be returned to the Closing Stores.

17. The Debtors remain responsible for the payment of any and all sales taxes. The Debtors are directed to remit all taxes accruing from the Store Closing Sales to the applicable governmental units as and when due, provided that in the case of a bona fide dispute, the Debtors are directed only to pay such taxes upon the resolution of the dispute, if and to the extent that the dispute is decided in favor of the governmental unit. For the avoidance of doubt, sales taxes collected and held in trust by the Debtors shall not be used to pay any creditor or any other party, other than the applicable governmental unit for which the sales taxes are collected.

18. Pursuant to Section 554 of the Bankruptcy Code, the Debtors are authorized to abandon any Remaining Property at a Closing Store, without any further notice or order of the Court, as of the effective date of rejection of the underlying lease of such Closing Store (with such rejection being subject to further notice and a separate order of this Court authorizing such rejection), with the right of the landlord to dispose of such Remaining Property at the Closing Store free and clear of all liens, claims, interests, or encumbrances and without notice or liability to any party.

19. To the extent that the Debtors propose to sell or abandon any North American Retail Assets that may contain any personal and/or confidential information about the Debtors' employees and/or customers, the Debtors shall use all commercially reasonable efforts to remove all such personal and/or confidential information from such assets before they are sold or abandoned.

20. Within thirty (30) days after the conclusion of all Store Closing Sales, the Debtors shall file a summary report of such Store Closing Sales that will include (a) the stores closed, (b) gross revenue from inventory sold, and (c) gross revenue from FF&E sold.

21. 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.

22. To the extent any provisions of this Order are inconsistent with the Store Closing Sale Guidelines, the terms of this Order shall control. To the extent any provisions of the Store Closing Sale Guidelines or this Order are inconsistent with a Landlord Agreement, the terms of the Landlord Agreement shall control.

23. The requirements set forth in Bankruptcy Rule 6003 are satisfied by the Motion or otherwise deemed waived.

24. Notwithstanding Bankruptcy Rule 6004(h), to the extent applicable, this Order shall be effective and enforceable immediately upon entry hereof.

25. The requirements set forth in Bankruptcy Rule 6007 are satisfied by the Motion or otherwise deemed waived.

26. 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.

27. This Court shall retain exclusive jurisdiction with respect to all matters arising from or related to the implementation and/or interpretation of this Order, including, but not limited to, any claim or issue relating to any efforts by any party or person to prohibit, restrict or in any way limit the Store Closing Sales in accordance with the Store Closing Sale Guidelines, or any other disputes related to the Store Closing Sales, including disputes with governmental units regarding the Debtors' compliance with Liquidation Sale Laws. No parties or person shall take any action against the Debtor or any landlord, as applicable, until this Court has resolved such dispute. This Court shall hear the request of such parties or persons with respect to any such disputes on an expedited basis, as may be appropriate under the circumstances.

Dated: June 13, 2018
Wilmington, Delaware



THE HONORABLE LAURIE SELBER SILVERSTEIN
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 1

Store Closing Sale Guidelines

The purchasers of any FF&E sold during a Store Closing Sale shall be permitted to remove the FF&E either through the back or alternative shipping areas of the applicable Closing Store at any time, or through other areas after the Closing Store's business hours; *provided* that the foregoing shall not apply to *de minimis* FF&E sales made whereby the item can be carried out of the Closing Store in a shopping bag.

6. The Debtors may abandon any Remaining Property (including any such assets that are Store Assets) not sold in the Store Closing Sales at the Closing Stores at the conclusion of the Store Closing Sales, as of the effective date of rejection for the underlying lease of such Closing Stores (with such rejection being subject to further notice and a separate order of this Court authorizing such rejection); *provided* that, if the Debtors propose selling or abandoning such assets, which may contain personal or confidential information about the Debtors' employees or customers, the Debtors shall use all commercially reasonable efforts to remove the personal and/or confidential information from such items before such sale or abandonment, and retain such personal and/or confidential information until further order of the Court.
7. The Store Closing Sales shall be advertised as "sale on everything," "everything must go," "everything on sale," "season clearance sale," "nothing held back," or similarly themed sales. The Debtors may also advertise each sale as a "store closing" and have a "countdown to closing" sign prominently displayed in a manner consistent with these Store Closing Sale Guidelines. The Store Closing Sales shall not be advertised with the words "liquidation sale," "total inventory liquidation," "going out of business" or "GOB", or words of similar import. Until and unless another bidder is declared the successful bidder, the Stalking Horse Bidder shall have reasonable consent rights concerning advertising and signage at the Store Closing Sales, including by means of media advertising, similar interior and exterior signs and banners, and the use of sign walkers.
8. All Store Closing Sales are to be considered "final;" therefore, conspicuous signs will be posted at or near the cash register in each of the Closing Stores to the effect that all sales are "final."
9. The Debtors shall be permitted to utilize display, hanging signs, and interior banners in connection with the Store Closing Sales. All display and hanging signs used by the Debtors in connection with the Store Closing Sales will be professionally lettered and all hanging signs will be hung in a professional manner. In addition, the Debtors will be permitted to utilize exterior banners and sign-walkers; *provided* that such use is in a safe and professional manner. Nothing contained in these Store Closing Sale Guidelines shall be construed to create or impose upon the Debtors any additional restrictions not contained in any applicable lease agreement.
10. The Debtors shall not make any alterations to the storefront, roof, or exterior walls of any Closing Stores or "shopping centers," or interior or exterior store lighting and will not use any type of amplified sound to advertise the Store Closing Sales or solicit customers, except as authorized by the applicable lease. The hanging of signage as provided herein shall not constitute an alteration to any Closing Store.

11. Landlords will have the ability to negotiate with the Debtors any particular modifications to these Store Closing Sale Guidelines. The Debtors and the landlord of any Closing Store are authorized to enter into agreements modifying these Store Closing Sale Guidelines (each, a “**Landlord Agreement**”) without further order of the Court; *provided* that such agreements do not have a material adverse effect on the Debtors or their estates.
12. No property of any landlord or other non-Debtor third party will be removed or sold during the Store Closing Sales.
13. The Debtors will keep the Closing Stores’ premises and surrounding areas clear and orderly, consistent with past practices.
14. The Debtors do not have to comply with lease provisions or covenants, or Liquidation Sale Laws that are inconsistent with these Store Closing Sale Guidelines.
15. An unexpired nonresidential real property lease will not be deemed rejected by reason of a Store Closing Sale or the adoption of these Store Closing Sale Guidelines.
16. The rights of landlords against the Debtors for any damages to any Closing Store shall be reserved in accordance with the provisions of the applicable lease.
17. The Debtors shall continue to have exclusive and unfettered access to each Closing Store until and unless the Debtors reject or assign the underlying lease.
18. No landlord, licensor, property owner, or property manager shall prohibit, restrict, or otherwise interfere with any Store Closing Sale at any Closing Store.
19. If the landlord of any Closing Store contends that the Debtors are in breach of or default under these Store Closing Sale Guidelines (an “**Alleged Default**”), such landlord shall provide the Debtors and the Stalking Horse Bidder with at least three (3) days’ written notice (the “**Default Notice Period**”) of the Alleged Default, which notice shall include the opportunity for the Debtors to cure such Alleged Default within three (3) days of the expiration of the Default Notice Period (the “**Default Cure Period**”), served by email or overnight delivery, on:

The Debtors, c/o
The Rockport Company, LLC
1220 Washington Street
West Newton, Massachusetts 02465
Attn: Paul Kosturos
Email: pkosturos@alvarezandmarsal.com

with a copy (which shall not constitute notice) to:

Richards, Layton & Finger, P.A.
One Rodney Square
920 North King Street
Wilmington, Delaware 19801

Attn: Mark D. Collins, Michael J. Merchant, Amanda R. Steele
Email: collins@rlf.com, merchant@rlf.com, steele@rlf.com

with a copy to counsel to the Stalking Horse Bidder

Goodwin Procter LLP,
The New York Times Building
620 Eighth Avenue
New York, New York 10018
Attn: William Weintraub
Email: wwweintraub@goodwinlaw.com

Goodwin Procter LLP
100 Northern Avenue
Boston, Massachusetts 02210
Attn: Jon Herzog, Joseph F. Bernardi, Jr.,
Email: jherzog@goodwinlaw.com, jbernardi@goodwinlaw.com

Pepper Hamilton LLP
Hercules Plaza, Suite 5100
1313 Market Street
P.O. Box 1709
Wilmington, Delaware 19899
Attn: David Fournier, Evelyn Meltzer,
Email: fournierd@pepperlaw.com, meltzere@pepperlaw.com

If the parties are unable to resolve the Alleged Default at the end of the Default Cure Period, either the landlord or the Debtors shall have the right to schedule a hearing before the Court on no less than three (3) days' written notice to the other party, served by email or overnight delivery.

20. These Store Closing Sale Guidelines are subject to the requirements of the order entered by the United States Bankruptcy Court for the District of Delaware in connection with the Debtors executing the Store Closing Sales.

Tab F

THIS IS EXHIBIT "F" TO THE AFFIDAVIT
OF PAUL KOSTUROS SWORN BEFORE ME

ON THIS 13TH DAY OF JUNE, 2018

Lesley A. Morris

A Notary Public in and for the State of Delaware



Motion is in the best interests of the Debtors, their estates, their creditors, and other parties in interest; and the Court having 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 as of February 29, 2012; and it appearing that proper and adequate notice of the Motion has been given and that no other or further notice is necessary; and upon the record herein; and after due deliberation thereon; and good and sufficient cause appearing therefor.

IT IS HEREBY ORDERED THAT:

1. The Motion is granted as set forth herein.
2. The Debtors are authorized, but not directed, in their discretion, to retain and pay reasonable fees and expenses for the services of the Ordinary Course Professionals in the ordinary course of their business.
3. The following procedures shall govern the retention and compensation of Ordinary Course Professionals (the “**Procedures**”):

(a) Each Ordinary Course Professional shall complete a declaration, substantially in the form attached hereto as Exhibit 2 (each, a “**Declaration**”), and provide such declaration to counsel for the Debtors. Upon receipt of such Declaration, counsel for the Debtors shall file the same with the Court and have it served via first class mail on the following parties: (i) 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, 17th Floor, Wilmington, Delaware 19801, Attn: Bradford J. Sandler, bsandler@pszjlaw.com and James E. O’Neill, joneill@pszjlaw.com; (ii) 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; (iii) counsel to the ABL Administrative Agent and DIP ABL Agent, (a) Riemer Braunstein LLP, Three Center Plaza, 6th 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., 8th Floor, Wilmington, Delaware 19801, Attn: Gregory A. Taylor, GTaylor@ashbygeddes.com; (iv) counsel to the Committee, (a) Cooley LLP, 1114 Avenue of the Americas, New York, New York 10036 Attn: Jay Indyke, jindyke@cooley.com and Robert Winning, rwinning@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 L. Katherine Good, kgood@wtplaw.com; and (v) the U.S. Trustee, 844 King Street, Suite 2207, Wilmington, Delaware 19801, Attn: Brya M. Keilson, brya.keilson@usdoj.gov (collectively, the “**Notice Parties**”).

(b) All parties in interest shall have fourteen (14) days after the filing and service of a Declaration to object to the retention of the Ordinary Course Professional filing such declaration (the “**Objection Deadline**”). Any objecting party shall serve its objection upon proposed counsel to the Debtors, Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, Delaware 19801 (Attn: Mark D. Collins, Esq.), and the relevant Ordinary Course Professional on or before the Objection Deadline. If an objection cannot be consensually resolved within twenty-one (21) days after the Objection Deadline, then the retention of the Ordinary Course Professional that is the subject of the objection shall be scheduled for hearing by the Debtors at the next regularly scheduled omnibus hearing or on a date otherwise agreed to by the parties. The Debtors shall not be authorized to retain and pay such Ordinary Course Professional until all outstanding objections have been withdrawn, resolved, or overruled by order of the Court.

(c) If no objection is received by the Objection Deadline with respect to an Ordinary Course Professional, the Debtors shall be authorized to retain and pay that Ordinary Course Professional in accordance with these Ordinary Course Professional Procedures *nunc pro tunc* to the Petition Date or, if later, the date of employment.

(d) The Debtors are authorized to pay any retained Ordinary Course Professional, without further application to the Court, one-hundred percent (100%) of the fees and disbursements upon submission of an appropriate invoice setting forth in reasonable detail the nature of the services rendered after the Petition Date and the fees and disbursements related thereto; *provided, however*, that each Ordinary Course Professional’s fees do not exceed the Cap Amounts on average over a rolling three (3) month period.

(e) Notwithstanding the foregoing, if the Debtors are able to obtain the agreement of the Notice Parties to a higher cap for any Ordinary Course Professional, the increased Cap Amount shall be deemed approved upon the filing of a Cap Increase Notice without further action by this Court. Absent such an agreement of Notice Parties, the Cap Amounts set forth set forth on Exhibit 1

hereto and any Supplement to Exhibit 1 hereto will be enforced, subject to the right of (i) the Debtors to file a motion, on notice to the Notice Parties, seeking an order increasing the Cap Amounts and (ii) the Ordinary Course Professional to file an application for allowance of fees and expenses in excess of the Cap Amount during any interim period under Sections 330 and 331 of the Bankruptcy Code, pursuant to the same procedures that are established for the Chapter 11 Professionals.

(f) Within thirty (30) calendar days after the end of, and with respect to, each full three (3) month period after the Petition Date (including any initial partial month in the first period), the Debtors propose to file a periodic payment summary statement with the Court and to serve such statement upon the Notice Parties. The summary statement will include the following information for each Ordinary Course Professional: (a) the name of the Ordinary Course Professional; (b) the aggregate amounts paid as compensation for services rendered and reimbursement of expenses incurred by such Ordinary Course Professional during the statement period; (c) the aggregate amounts of all postpetition payments made to that Ordinary Course Professional; and (d). The obligation to file summary statements will terminate upon confirmation of a Chapter 11 plan in these Chapter 11 Cases, provided that a summary statement will be filed with respect to the final period (or partial period) ending on such confirmation date.

(g) The Debtors may retain additional Ordinary Course Professionals from time to time during the Chapter 11 Cases by (a) including each additional Ordinary Course Professional on an amended version of Exhibit A to the Motion that shall be filed with the Court and served on the Notice Parties and (b) having such additional Ordinary Course Professional comply with the Procedures.

4. No Ordinary Course Professional will perform substantial services relating to bankruptcy matters or be involved in the administration of the Chapter 11 Cases, and any services performed by such Ordinary Court Professional shall be limited to services ordinarily provided by non-bankruptcy professionals that were commenced prior to these Chapter 11 Cases in connection with the Debtors' ongoing business operations.

5. The right of any party-in-interest to dispute any invoices shall not be affected or prejudiced in any manner by the relief granted in this Order.

6. Except for law firms that represented the Debtors prior to the Petition Date and that have been employed pursuant to this Order, all Ordinary Course Professionals shall (i) also include a statement of disinterestedness in their Declaration and (ii) once their employment

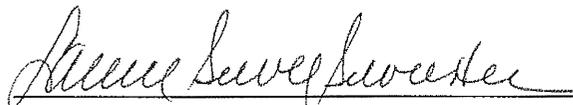
is effective pursuant to this Order, be deemed to have waived any and all prepetition claims they may have against the Debtors.

7. Notwithstanding the possible applicability of Bankruptcy Rules 7062, 9014, or otherwise, this Order shall be immediately effective and enforceable upon its entry.

8. 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.

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

Dated: June 12, 2018
Wilmington, Delaware



THE HONORABLE LAURIE SELBER SILVERSTEIN
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 1**List of Ordinary Course Professionals**

Ordinary Course Professional	Mailing Address	Type of Service	Monthly Cap Amount¹
AKD N.V.	Wilhelminakade 1 3072 AP Rotterdam	Netherlands Legal Counsel	\$35,000.00
Brabners LLP	Horton House Exchange Flags Liverpool L2 3YL GB	UK Legal Counsel	\$35,000.00
Crupi Law	305 Renfrew Drive Suite 302 Markham, ON L3R 9S7	Canada RE Counsel	\$35,000.00
Davis Wright Tremaine LLP	1300 SW Fifth Avenue Suite 2400 Portland, OR 97201	ERISA / Benefits Counsel	\$35,000.00
Deacons	5 th Floor Alexander House 18 Charter Rd Central, Hong Kong	Hong Kong & China Legal Counsel	\$35,000.00
DuCharme, McMillen and Associates, Inc.	828 S Harrison St. Suite 650 Fort Wayne, IN 46802	Tax Compliance / Business Licenses	\$35,000.00
Ferreira Pinto & Associados	Praca Nuno Rodrigues Dos Santo 14-B Lisboa 1600-171 PT	Portugal Legal Counsel	\$35,000.00
Foley Hoag LLP	155 Seaport Blvd Boston MA, 02210	US General Legal Matters & Litigation	\$35,000.00
Intertrust	PO Box 990 Amsterdam 12 1000 AZ NL	Netherlands Registered Agent / Corporate Secretary	\$35,000.00
Kim & Chang	39, Sajik-ro 8-gil Jongno-Gu, Seoul 03170 Korea	Korea Legal Counsel	\$35,000.00

¹ Professionals are expected to incur less than the monthly Cap Amount on average over a rolling three month period.

Ordinary Course Professional	Mailing Address	Type of Service	Monthly Cap Amount ¹
King Stubb & Kasiva	Unit No. 14 Ground Floor DLF Tower New Delhi 24 110025 IN	India Legal Counsel	\$35,000.00
Lee & Li	7F, 201 Tun Hua N. Road 10508 Taipei TW	Taiwan Legal Counsel	\$35,000.00
MAQS Advokatbyra Stockholm	Master Samuelsgatan 20 Box 7009 12 103 86 SE	Sweden Legal Counsel	\$35,000.00
MCCARTHY TETRAULT LLP	2500-1000 de la Gauchetiere Rue O Montreal, QC H3B 0A2 CA	Local Canadian Counsel / Registration Agent	\$35,000.00
Morgan Lewis and Bockius LLP	1701 Market St .Philadelphia PA 19103	US Legal Counsel	\$35,000.00
Oh-Ebashi LPC & Partners	27F NAKANOSHIMA, KITA-KU KIT-KU 27 5300005 JP	Japan Legal Counsel	\$35,000.00
Rubin and Rudman LLP	53 State St Fl 15 Boston MA 02109-2820 US	US Employment / Discrimination Counsel	\$35,000.00
St. Onge, Steward, Johnson & Reens LLC	986 Bedford St. Stamford, CT 06905	Global IP Legal Counsel	\$35,000.00
True Partners Consulting Holdings	25390 Network Pl Chicago, IL 60673	Tax Advisory	\$35,000.00
Vialegis Abogados S.L.P.	Paseo De La Castellana 40 Madrid 28046 ES	Spain Legal Counsel	\$35,000.00
YKVN LLC	Suite 401 International Centre Hanoi VN	Vietnam Legal Counsel	\$35,000.00

EXHIBIT 2

Declaration

**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. ¹	)	(Jointly Administered)
	)	Re: Docket No. ____

**DECLARATION IN SUPPORT OF EMPLOYMENT OF [_____] AS
PROFESSIONAL UTILIZED IN ORDINARY COURSE OF BUSINESS**

I, _____, declare that the following is true to the best of my knowledge, information and belief:

1. I am a [position] of [Firm], located at [Street, City, State ZIP Code] (the “Firm”), which has been employed by the debtors and debtors in possession (collectively, the “Debtors”) in the above-captioned cases (the “Chapter 11 Cases”) in the ordinary course of the Debtors’ business. The Debtors wish to retain the Firm to continue providing ordinary course services during these Chapter 11 Cases, and the Firm has consented to provide such services. This Declaration is submitted in compliance with the *Order Authorizing Employment and Compensation of Professionals Utilized in Ordinary Course of Business, Effective Nunc Pro Tunc to the Petition Date* (the “Ordinary Course Professionals Order”).

2. The Firm may have performed services in the past, may currently perform services, and may perform services in the future in matters unrelated to these Chapter 11 Cases

¹ 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 I-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.

for persons that are parties in interest in these Chapter 11 Cases. The Firm does not perform services for any such person in connection with these Chapter 11 Cases, or have any relationship with any such person, their attorneys, or their accountants that would be adverse to the Debtors or their estates.

[PLACEHOLDER FOR DESCRIPTION OF SERVICES RENDERED]

3. As part of its customary practice, the Firm is retained in cases, proceedings and transactions involving many different parties, some of whom may represent or be employed by the Debtors, claimants, and parties in interest in these Chapter 11 Cases.

4. Neither I nor any principal, partner, director, or officer of, or professional employed by, the Firm has agreed to share or will share any portion of the compensation to be received from the Debtors with any other person other than the principal and regular employees of the Firm.

5. Neither I nor any principal, partner, director or officer of, or professional employed by, the Firm, insofar as I have been able to ascertain, holds or represents any interest adverse to the Debtors or their estates with respect to the matter(s) upon which this Firm is to be employed.

6. The Firm intends to bill the Debtors for professional services rendered in connection with these Chapter 11 Cases, in accordance with the Ordinary Course Professionals Order, with such bill to include compensation for services based on the hourly rates set forth below, plus reimbursement of actual and necessary expenses and other charges incurred by the Firm. The principal [attorneys and paralegals/other professionals]/[employees] designated to represent the Debtors and their current standard rates are:

[PLACEHOLDER FOR LIST OF PROFESSIONALS AND HOURLY RATES]

7. The rates set forth above are subject to periodic adjustments to reflect economic and other conditions. Such rates are the Firm's standard rates for work of this nature. The rates are set at a level designed to fairly compensate the Firm for the work of its [attorneys and paralegals/other professionals]/[employees] and to cover fixed and routine overhead expenses.

8. It is the Firm's policy to charge its clients in all areas of practice for all expenses incurred in connection with a client's case. The expenses charged to clients include, among other things, [PLACEHOLDER FOR DESCRIPTION OF EXPENSES] and, in general, all identifiable expenses that would not have been incurred except for representation of a particular client. The Firm will charge the Debtors for these expenses in a manner and at rates consistent with charges made generally to the Firm's other clients.

9. No representations or promises have been received by the Firm[, nor by any principal, partner, director, officer, or professional thereof,] as to compensation in connection with these Chapter 11 Cases other than in accordance with the provisions of the Bankruptcy Code. The Firm has no agreement with any other entity to share with such entity any compensation received by the Firm in connection with these Chapter 11 Cases. [ONLY FOR NON-LEGAL SERVICES FIRMS: The Firm has agreed to waive all unpaid amounts for services rendered prior to the Petition Date.]

10. [ONLY FOR LEGAL SERVICES FIRMS THAT REPRESENTED THE DEBTORS PRIOR TO THE PETITION DATE: The Debtors owe the Firm \$[] for fees and expenses incurred prior to and unpaid as of the date these Chapter 11 Cases were commenced (the "Petition Date"), the payment of which is subject to the limitations contained in the United States Bankruptcy Code, 11 U.S.C. §§ 101-1532. The Firm understands that it

must file a proof of claim for such fees and expenses unless the amount thereof is properly listed in the Debtors' schedules of liabilities and is not designated therein as contingent, unliquidated or disputed.]

11. As of the Petition Date, the Firm [was/was not] party to an agreement for indemnification with the Debtors. [A copy of such agreement is attached as Exhibit 1 to this Declaration.]

12. The Firm is conducting further inquiries regarding its retention by any creditors of the Debtors, and upon conclusion of such inquiries, or at any time during the period of its employment, if the Firm should discover any facts bearing on the matters described herein, the Firm will supplement the information contained in this Declaration.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Dated: _____

[Name]

[Title]

[FIRM NAME]

Address:

Telephone:

Facsimile:

Email:

Tab G

THIS IS EXHIBIT "G" TO THE AFFIDAVIT
OF PAUL KOSTUROS SWORN BEFORE ME

ON THIS 13TH DAY OF JUNE, 2018

Lesley A. Morris

A Notary Public in and for the State of Delaware



adverse to the Debtors or the estates respecting the matters upon which it is to be engaged; and the Court having jurisdiction to consider the Application and the relief requested therein in accordance with 28 U.S.C. §§ 157(a)-(b) and 1334(b) and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012; and consideration of the Application and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and notice of the Application having been provided to the Notice Parties, and such notice having been adequate and appropriate under the circumstances; and it appearing that no other or further notice need be provided; and a hearing, if any, having been held to consider the relief requested in the Application; and the Court having found that granting the Application is in the best interests of the Debtors, their estates, creditors, and all parties in interest, and that the legal and factual bases set forth in the Application establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT

1. The Application is approved as set forth in this Order.
2. The Debtors are authorized to retain Prime Clerk as Administrative Advisor effective *nunc pro tunc* to the Petition Date under the terms of the Engagement Agreement, and Prime Clerk is authorized to perform the bankruptcy administration services described in the Application and set forth in the Engagement Agreement.
3. Prime Clerk is authorized to take such other action to comply with all duties set forth in the Application.
4. Prime Clerk shall apply to the Court for allowance of its compensation and reimbursement of expenses incurred after the Petition Date in accordance with the applicable

provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and any orders entered in these cases regarding professional compensation and reimbursement of expenses.

5. The Debtors shall indemnify Prime Clerk under the terms of the Engagement Agreement, as modified pursuant to this Order.

6. Prime Clerk shall not be entitled to indemnification, contribution or reimbursement pursuant to the Engagement Agreement for services other than the services provided under the Engagement Agreement, unless such services and the indemnification, contribution or reimbursement therefor are approved by the Court.

7. Notwithstanding anything to the contrary in the Engagement Agreement, the Debtors shall have no obligation to indemnify Prime Clerk, or provide contribution or reimbursement to Prime Clerk, for any claim or expense that is either: (i) judicially determined (the determination having become final and no longer subject to appeal) to have arisen from Prime Clerk's gross negligence, willful misconduct, fraud, bad faith or self-dealing; (ii) for a contractual dispute in which the Debtors allege breach of an Prime Clerk's contractual obligations, unless this Court determines that indemnification, contribution or reimbursement would be permissible pursuant to *In re United Artists Theatre Company*, 315 F.3d 217 (3d Cir. 2003); or (iii) settled prior to a judicial determination under (i) or (ii), but determined by this Court, after notice and a hearing, to be a claim or expense for which Prime Clerk should not receive indemnity, contribution or reimbursement under the terms of the Engagement Agreement as modified by this Order.

8. If, before the earlier of (i) the entry of an order confirming a Chapter 11 plan in these Chapter 11 Cases (that order having become a final order no longer subject to appeal), or (ii) the entry of an order closing these Chapter 11 Cases, Prime Clerk believes that it

is entitled to the payment of any amounts by the Debtors on account of the Debtors' indemnification, contribution and/or reimbursement obligations under the Engagement Agreement (as modified by this Order), including the advancement of defense costs, Prime Clerk must file an application therefor in this Court, and the Debtors may not pay any such amounts to Prime Clerk before the entry of an order by this Court approving the payment. This paragraph is intended only to specify the period of time under which the Court shall have jurisdiction over any request for fees and expenses by Prime Clerk for indemnification, contribution and/or reimbursement, and not a provision limiting the duration of the Debtors' obligation to indemnify Prime Clerk. All parties in interest shall retain the right to object to any demand by Prime Clerk for indemnification, contribution and/or reimbursement.

9. The limitation of liability section in paragraph 10 of the Engagement Agreement is deemed to be of no force or effect with respect to the services to be provided pursuant to this Order.

10. Notwithstanding any provision in the Bankruptcy Rules to the contrary, this Order shall be immediately effective and enforceable upon its entry.

11. In the event of any inconsistency between the Engagement Agreement, the Application and the Order, the Order shall govern.

12. The Debtors and Prime Clerk are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Application.

13. 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 12, 2018
Wilmington, Delaware



THE HONORABLE LAURIE SELBER SILVERSTEIN
UNITED STATES BANKRUPTCY JUDGE

Tab H

THIS IS EXHIBIT "H" TO THE AFFIDAVIT
OF PAUL KOSTUROS SWORN BEFORE ME

ON THIS 13TH DAY OF JUNE, 2018

Lesley A. Morris

A Notary Public in and for the State of Delaware



the Court having jurisdiction to consider the matters raised in the Motion pursuant to 28 U.S.C. § 1334, and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*, dated February 29, 2012; and the Court having authority to hear the matters raised in the Motion pursuant to 28 U.S.C. § 157; and the Court having determined that venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409; and consideration of the Motion and the requested relief being a core proceeding that the Court can determine pursuant to 28 U.S.C. § 157(b)(2); and due and proper notice of the Motion and opportunity for a hearing on the Motion having been given to the parties listed therein, and it appearing that no other or further notice need be provided; and the Court having reviewed and considered the Motion and the Fox Declaration and having heard the statements in support of the relief requested therein at a hearing, if any; and the Court having found that the relief requested in the Motion is in the best interests of the Debtors, their creditors, their estates and all other parties in interest; and upon the record herein; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is granted as set forth herein.
2. The terms of the Engagement Letter, including without limitation, the compensation provisions and the indemnification provisions, as modified by the Motion and this Order, are reasonable terms and conditions of employment and are hereby approved.
3. Pursuant to Sections 105(a) and 363(b) of the Bankruptcy Code, the Debtors are hereby authorized to (i) retain A&M to provide the Debtors with the Interim Chief Financial Officer, Interim Chief Operating Officer and Additional Personnel and (ii) designate Mr. Kosturos as the Debtors' Interim Chief Financial Officer and Mr. Jacobs as the Debtors' Interim

Chief Operating Officer, *nunc pro tunc* to the Petition Date on the terms set forth in the Engagement Letter.

4. Notwithstanding anything in the Motion or the Engagement Letter to the contrary:
 - (a) A&M and its affiliates shall not act in any other capacity (for example, and without limitation, as a financial advisor, claims agent/claims administrator or investor/acquirer) in connection with the above-captioned chapter 11 cases;
 - (b) In the event the Debtors seek to have A&M personnel assume executive officer positions that are different than the positions disclosed in the Motion, or to materially change the terms of the engagement by either (i) modifying the functions of personnel, (ii) adding new executive officers, or (iii) altering or expanding the scope of the engagement, a motion to modify the retention shall be filed;
 - (c) A&M shall file with the Court with copies to the United States Trustee (“U.S. Trustee”) and all official committees, a report of staffing on the engagement for the previous month. Such report shall include the names and functions filled of the individuals assigned. All staffing shall be subject to review by the Court in the event an objection is filed;
 - (d) No principal, employee or independent contractor of A&M and its affiliates shall serve as a director of any of the above-captioned Debtors during the pendency of the above-captioned cases;
 - (e) A&M shall file with the Court, and provide notice to the U.S. Trustee and all official committees, reports of compensation earned and expenses incurred on a monthly basis. Such reports shall contain summary charts which describe the services provided, identify the compensation earned by each executive officer and staff employee provided, and itemize the expenses incurred. All compensation shall be subject to review by the Court in the event an objection is filed;
 - (f) Notwithstanding the requirements of paragraph (e) above, the Debtors are authorized, but not directed, to pay, in the ordinary course of business, all amounts invoiced by A&M for fees and expenses incurred in connection with A&M’s retention;
 - (g) For a period of three years after the conclusion of A&M’s engagement, neither A&M nor any of its affiliates shall make any investments in the Debtors or any reorganized Debtors;
 - (h) Success fees, transaction fees, or other back-end fees shall be approved by the Court at the conclusion of the case on a reasonableness standard and

are not being pre-approved by entry of this Order. No success fee, transaction fee or back-end fee shall be sought upon conversion of the case, dismissal of the case for cause, or appointment of a trustee;

- (i) The Debtors are permitted to indemnify those persons serving as executive officers on the same terms as provided to the Debtors' other officers and directors under the corporate bylaws and applicable state law, along with insurance coverage under the Debtors' D&O policy;
- (j) Subject to the foregoing, during these Chapter 11 cases, there shall be no indemnification of A&M or its affiliates; and
- (k) A&M shall disclose any and all facts that may have a bearing on whether A&M, its affiliates, and/or any individuals working on the engagement have any interest materially adverse to the interest of the Debtors' estates or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the Debtors, or for any other reason. The obligation to disclose identified in this subparagraph is a continuing obligation.

5. Notwithstanding anything in the Motion or the Engagement Letter to the contrary, upon the closing of any sale contemplated by the Debtors' Sale Motion [Docket No. 24], A&M shall no longer be entitled to the flat weekly rates described in the Motion and Engagement Letter for the services of the Interim CFO and Interim COO, and the Debtors shall pay A&M for the services provided by A&M's professionals, including the Interim CFO and Interim COO, according to the current hourly billing rates for such individuals as set forth in the Motion and Engagement Letter.

6. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon entry of this Order.

7. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order.

8. To the extent that there may be any inconsistency between the terms of the Motion, the Engagement Letter, and this Order, the terms of this Order shall govern.

9. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation of this Order.

Dated: June 13, 2018
Wilmington, Delaware



THE HONORABLE LAURIE SELBER SILVERSTEIN
UNITED STATES BANKRUPTCY JUDGE

Tab I

THIS IS EXHIBIT "I" TO THE AFFIDAVIT
OF PAUL KOSTUROS SWORN BEFORE ME

ON THIS 13TH DAY OF JUNE, 2018

Lesley A. Morris

A Notary Public in and for the State of Delaware



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. ¹	)	(Jointly Administered)
	)	Re: Docket No. 118

**AMENDED ORDER (I) AUTHORIZING THE RETENTION AND EMPLOYMENT OF
HYPERAMS, LLC AS LIQUIDATION CONSULTANT *NUNC PRO TUNC* TO
MAY 25, 2018 AND (II) MODIFYING CERTAIN REPORTING
REQUIREMENTS UNDER THE LOCAL RULES**

Upon consideration of the application (the “**Application**”)² of the Debtors for entry of an order (this “**Order**”) (i) authorizing the retention and employment of HYPERAMS, LLC (the “**Consultant**”) as the Debtors’ liquidation consultant *nunc pro tunc* to the Effective Date and (ii) modifying certain reporting requirements of Local Rule 2016-2(d), all as more fully described in the Application; and the Court having jurisdiction to consider the Application and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and consideration of the Application and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Application having been provided; and it appearing that no other or further notice need be provided; and a hearing, if any, having been held to consider the relief

¹ 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.

² Capitalized terms not otherwise defined herein have the respective meaning ascribed to such motions in the Application.

requested in the Application (the “**Hearing**”); and due and proper notice of the Hearing, if any, having been provided; and upon the record of the Hearing, if any, and all of the proceedings had before the Court; and upon the Pabst Declaration; and the Court having found and determined that the relief sought in the Application is in the best interests of the Debtors, their estates and creditors, and all parties in interest and that the legal and factual bases set forth in the Application establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Application is GRANTED to the extent set forth herein.
2. The Debtors are authorized, pursuant to Sections 327(a) and 328(a) of the Bankruptcy Code, to retain and employ the Consultant as liquidation consultant to the Debtors on the terms and conditions set forth in the Application and the Consulting Agreement, *nunc pro tunc* to May 25, 2018.
3. The terms of the Consulting Agreement, attached hereto as Exhibit 1, including but not limited to the compensation for the Consultant’s services, are reasonable terms and conditions of employment and are hereby approved. The Consultant shall be compensated based on the terms set forth in the Consulting Agreement.
4. Within thirty (30) days of the conclusion of the Store Closing Sales, the Debtors shall file a summary report of such process that will identify the aggregate proceeds received in connection with the sales of FF&E and the amount of the corresponding commission paid to the Consultant in accordance with the Consulting Agreement.
5. Following the conclusion of the Store Closing Sales, the Consultant shall file a final fee application with the Court seeking final approval of all fees and expenses paid to Consultant in accordance with the Court-approved fee procedures for professionals retained in

the Chapter 11 Cases. The Consultant's fees and expenses shall be compensated and reimbursed pursuant to Section 328(a) of the Bankruptcy Code and shall not be evaluated under the standard set forth in Section 330 of the Bankruptcy Code, except that the U.S. Trustee shall have the right and be entitled to object to the Consultant's requests for compensation and reimbursement based on the reasonableness standard set forth in Section 330 of the Bankruptcy Code. This Order and the record relating to the Court's consideration of the Application shall not prejudice or otherwise affect the rights of the U.S. Trustee to challenge the reasonableness of the Consultant's fees under the standard set forth in the preceding sentence. Accordingly, nothing in this Order or the record shall constitute a finding of fact or conclusion of law binding the U.S. Trustee, on appeal or otherwise, with respect to the reasonableness of the Consultant's fees.

6. The reporting requirements of Local Rule 2016-2(d) are hereby modified as follows: (i) with respect to compensation to be paid to the Consultant on an hourly basis for the Planning Services, the Consultant shall keep general time records in one-half hour (0.5) increments; and (ii) with respect to compensation to be paid to the Consultant during the Store Closing Sales on a weekly flat-fee basis, the Consultant shall keep general time records in one hour (1.0) increments.

7. The Consultant shall not seek reimbursement of any fees incurred defending any of the Consultant's fee applications in these Chapter 11 Cases.

8. No agreement or understanding exists between the Consultant and any other person, other than as permitted by Section 504 of the Bankruptcy Code, to share compensation received for services rendered in connection with these Chapter 11 Cases, nor shall the Consultant share or agree to share compensation received for services rendered in connection these Chapter 11 Cases with any other person other than as permitted by the Bankruptcy Code.

9. Notwithstanding anything in the Application to the contrary, the Consultant shall: (i) to the extent that the Consultant uses the services of independent contractors or subcontractors (collectively, the “Contractors”) in these Chapter 11 Cases, pass through the cost of such Contractors to the Debtors at the same rate that the Consultant pays the Contractors; (ii) seek reimbursement for actual costs only; (iii) ensure that the Contractors are subject to the same conflicts checks as required for the Consultant; and (iv) file with the Court such disclosures as required by Bankruptcy Rule 2014.

10. The Debtors are hereby authorized to perform their obligations under the Consulting Agreement in accordance with the terms thereof, including making payments required by the Consulting Agreement to the Consultant on a weekly basis without the need for a fee application of the Consultant or further order of the Court, except as set forth herein with respect to the final fee application.

11. The indemnification provisions of the Consulting Agreement are approved, subject during the pendency of these Chapter 11 Cases to the following:

- a. The Consultant shall not be entitled to indemnification, contribution, or reimbursement pursuant to the Consulting Agreement for services, unless such services and the indemnification, contribution or reimbursement therefor are approved by the Court;
- b. the Debtors shall have no obligation to indemnify the Consultant, or provide contribution or reimbursement to the Consultant, for any claim or expense to the extent it is either: (i) judicially determined (the determination having become final and no longer subject to appeal) to have arisen from the Consultant’s gross negligence, willful misconduct or bad faith; (ii) for a contractual dispute in which the Debtors allege breach of the Consultant’s contractual obligations, unless this Court determines that indemnification, contribution or reimbursement would be permissible pursuant to *In re United Artists Theatre Company*, 315 F.3d 217 (3d Cir. 2003); or (iii) settled prior to a judicial determination as to the exclusions set forth in clauses (i) and (ii) above, but determined by this Court, after notice and a hearing pursuant to subparagraph (c) hereof to be a claim or expense for which the Consultant should not receive indemnity,

contribution or reimbursement under the terms of the Consulting Agreement, as modified by this Order;

- c. If, before the earlier of (i) the entry of an order confirming a chapter 11 plan in the Chapter 11 Cases (that order having become a final order no longer subject to appeal) and (ii) the entry of an order closing the Chapter 11 Cases, the Consultant believes that it is entitled to the payment of any amounts by the Debtors on account of the Debtors' indemnification, contribution and/or reimbursement obligations under the Consulting Agreement (as modified by this Order), including without limitation, the advancement of defense costs, the Consultant must file an application therefor in this Court, and the Debtors may not pay any such amounts to the Consultant before the entry of an order by this Court approving the payment. This subparagraph (c) is intended only to specify the period of time under which this Court shall have jurisdiction over any request for fees and expenses by the Consultant for indemnification, contribution and/or reimbursement, and not a provision limiting the duration of the Debtors' obligation to indemnify, or make contributions or reimbursements to, the Consultant. All parties in interest shall retain the right to object to any demand by the Consultant for indemnification, contribution and/or reimbursement.

12. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

13. The Debtors and the Consultant are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Application.

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

Dated: June 13, 2018
Wilmington, Delaware



THE HONORABLE LAURIE SELBER SILVERSTEIN
UNITED STATES BANKRUPTCY JUDGE

Tab J

THIS IS EXHIBIT "J" TO THE AFFIDAVIT
OF PAUL KOSTUROS SWORN BEFORE ME

ON THIS 13TH DAY OF JUNE, 2018

Wesley A. Morris
A Notary Public in and for the State of Delaware



ORIGINAL

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

)	
	)	Chapter 11
In re:)	
	)	Case No. 18-11145(LSS)
THE ROCKPORT COMPANY, LLC, <i>et al.</i> ,)	
	)	(Jointly Administered)
Debtors. ¹)	
	)	Re: Docket Nos. 8, 54 & 153

**FINAL ORDER AUTHORIZING (I) THE DEBTORS TO PAY
(A) CERTAIN PREPETITION CLAIMS OF SHIPPERS AND WAREHOUSEMEN
AND (B) IMPORT CHARGES AND (II) FINANCIAL INSTITUTIONS
TO HONOR AND PROCESS RELATED CHECKS AND TRANSFERS**

Upon the motion (the “**Motion**”)² and the *Supplement to Motion of Debtors for Entry of Interim and Final Orders Authorizing (I) the Debtors to Pay (A) Certain Prepetition Claims of Shippers and Warehousemen and (B) Import Charges and (II) Financial Institutions to Honor and Process Related Checks and Transfers* [Docket No. 153] (the “**Supplement**”) of The Rockport Company, LLC (“**Rockport**”) and certain of its affiliates that are debtors and debtors in possession (collectively, the “**Debtors**”) in the above-captioned Chapter 11 cases (the “**Chapter 11 Cases**”) for entry of a final order, pursuant to Sections 105(a), 363(b) and 363(c) of the Bankruptcy Code, authorizing, but not directing, (i) the Debtors, in their sole discretion, to pay (a) all or a portion of the Shipping and Warehousing Claims and (b) certain Import Charges, including the Import Charges Payment and Import Charges related to the Customs and

¹ 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.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

Reconciliation Program (each as defined in the Supplement); and (ii) financial institutions to receive, process, honor and pay checks or wire transfers used by the Debtors to pay the foregoing, as more fully described in the Motion and the Supplement; and the Court having jurisdiction to consider the matters raised in the Motion pursuant to 28 U.S.C. § 1334, and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*, dated February 29, 2012; and the Court having authority to hear the matters raised in the Motion pursuant to 28 U.S.C. § 157; and the Court having venue pursuant to 28 U.S.C. §§ 1408 and 1409; and consideration of the Motion and the requested relief being a core proceeding that the Court can determine pursuant to 28 U.S.C. § 157(b)(2); and due and proper notice of the Motion and opportunity for a hearing on the Motion having been given to the parties listed therein, and it appearing that no other or further notice need be provided; and the Court having reviewed and considered the Motion, the Supplement, and the First Day Declaration; and the Court having found that the relief requested in the Motion is in the best interests of the Debtors, their creditors, their estates and all other parties in interest; and upon the record herein; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The relief requested in the Motion, and the Supplement, is hereby granted on a final basis, as set forth herein. All objections to the entry of this Final Order, to the extent not withdrawn or settled, are overruled.

2. The Debtors are authorized and empowered to pay all or some of the Shipping and Warehousing Claims and Import Charges, including the Import Charges Payment, as the Debtors determine, in their sole discretion, to be necessary or appropriate.

3. The Debtors are authorized and empowered to pay all or some of the Import Charges due to the U.S. Customs and Border Protection in connection with the Customs

Reconciliation Program as the Debtors determine, in their sole discretion, to be necessary and appropriate.

4. The Debtors shall maintain a matrix summarizing (i) the name of each Shipper or Warehouseman paid on account of its Shipping and Warehousing Claim, and (ii) the amount paid by each Debtor payor to each Shipper or Warehouseman on account of its Shipping and Warehousing Claim. This matrix shall be provided on a weekly basis, one week in arrears, to counsel for the DIP ABL Agent and DIP Note Purchasers and the professionals retained by any statutory committee appointed in the Chapter 11 Cases, if any; provided, however, that the matrix shall be considered confidential.

5. The Debtors, in their sole discretion, may condition payment to the Shippers and Warehousemen upon agreement by the applicable Shipper or Warehousemen to continue to provide as favorable trade terms, practices, and programs (including credit limits, pricing, cash discounts, timing of payments, allowances, product mix, availability, and other programs) as those trade terms, practices, and programs in place in the 180 days prior to the Petition Date (collectively, the “**Customary Trade Terms**”).

6. As a further condition of receiving payment of a Shipping and Warehousing Claim, the Debtors, in their sole discretion, are authorized, but not directed, to require that the applicable Shipper or Warehouseman agrees to take whatever action is necessary to remove any existing Liens or Interests at such Shipper’s or Warehouseman’s sole cost and expense and waive any right to assert a Lien or Interest on account of the paid claim of such Shipper or Warehouseman.

7. If a Shipper or Warehouseman that has received payment of a Shipping and Warehousing Claim later refuses to continue to supply Merchandise or services for the

applicable period in compliance with this Final Order, then the Debtors may, in their sole discretion, seek approval of the Court to (a) deem such payment to apply only to post-petition amounts payable to such Shipper or Warehouseman, if applicable, or (b) take any and all appropriate steps to cause such Shipper or Warehouseman to repay payments made to it on account of its prepetition Shipping and Warehousing Claim to the extent that such payments exceed the post-petition amounts then owing to such Shipper or Warehouseman. Upon recovery of such payment by the Debtors, such Shipper's or Warehouseman's Shipping and Warehousing Claim shall be reinstated in such an amount as to restore the Debtors and the applicable Shipper or Warehouseman to their original positions, as if the payment of the creditor's Shipping and Warehousing Claim had not been made, and all rights of Shippers and Warehousemen are hereby reserved.

8. To the extent a Shipper or Warehouseman fails to comply with the Customary Trade Terms or the terms of this Final Order, the Debtors' rights to treat any payment made pursuant to this Final Order as an unauthorized postpetition transfer and to exercise any and all appropriate remedies are reserved, and all rights of Shippers and Warehousemen are hereby reserved.

9. All applicable banks and other financial institutions are hereby authorized to receive, process, honor and pay all checks presented for payment of, and to honor all fund transfer requests made by the Debtors related to, the claims that the Debtors request authority to pay in the Motion, regardless of whether the checks were presented or fund transfer requests were submitted before, on or after the Petition Date. Such banks and financial institutions are authorized to rely on the representations of the Debtors as to which checks are issued or

authorized to be paid pursuant to this Final Order without any duty of further inquiry and without liability for following the Debtors' instructions.

10. The Debtors are authorized, but not required, in their sole discretion, to issue new post-petition checks, or effect new fund transfers, for the Shipping and Warehousing Claims to replace any prepetition checks or fund transfer requests that may be dishonored or rejected and to reimburse Shippers and Warehousemen or the applicable payee, as the case may be, for any fees or costs incurred by them in connection with a dishonored or voided check or funds transfer.

11. The requirements set forth in Bankruptcy Rule 6004(a) are hereby waived.

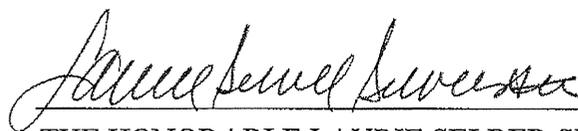
12. Notwithstanding Bankruptcy Rule 6004(h), to the extent applicable, this Final Order shall be effective and enforceable immediately upon entry hereof.

13. Nothing in this Final Order, the Motion, or the Supplement shall be deemed to constitute the assumption or adoption of any agreement under Section 365 of the Bankruptcy Code.

14. 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 Final Order.

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

Dated: June 13, 2018
Wilmington, Delaware



THE HONORABLE LAURIE SELBER SILVERSTEIN
UNITED STATES BANKRUPTCY JUDGE

Tab K

THIS IS EXHIBIT "K" TO THE AFFIDAVIT
OF PAUL KOSTUROS SWORN BEFORE ME

ON THIS 13TH DAY OF JUNE, 2018

Lesley A. Morris

A Notary Public in and for the State of Delaware



as more fully described in the Motion; and the Court having jurisdiction to consider the matters raised in the Motion pursuant to 28 U.S.C. § 1334 and the Amended Standing Order of Reference from the United States District Court for the District of Delaware, dated February 29, 2012; and the Court having authority to hear the matters raised in the Motion pursuant to 28 U.S.C. § 157; and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and consideration of the Motion and the requested relief being a core proceeding that the Court can determine pursuant to 28 U.S.C. § 157(b)(2); and due and proper notice of the Motion and opportunity for a hearing on the Motion having been given to the parties listed therein, and it appearing that no other or further notice need be provided; and the Court having reviewed and considered the Motion and the First Day Declaration; and the Court having found that the relief requested in the Motion is in the best interests of the Debtors, their creditors, their estates and all other parties in interest; and upon the record herein; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The relief requested in the Motion is hereby granted on a final basis, as set forth herein. All objections to the entry of this Final Order, to the extent not withdrawn or settled, are overruled.

2. The Debtors are authorized, but not directed, in the reasonable exercise of their business judgment, to pay all or part of and discharge, on a case-by-case basis, (i) the Critical Vendor Claims in an amount not to exceed \$2,000,000.00 (the “**Critical Vendor Claims Cap**”); and (ii) the Foreign Vendor Claims in an amount not to exceed \$20,000,000.00, absent further order of the Court (the “**Foreign Vendor Claims Cap**”).

3. The Debtors shall maintain a matrix summarizing (i) the name of each Critical or Foreign Vendor paid on account of its Critical or Foreign Vendor Claim, and (ii) the amount paid by each Debtor payor to each Critical or Foreign Vendor on account of its Critical or Foreign Vendor Claim. This matrix shall be provided on a weekly basis, one week in arrears, to counsel for the DIP ABL Agent and DIP Note Purchasers and the professionals retained by any statutory committee appointed in the Chapter 11 Cases, if any; *provided, however*, that the matrix shall be considered confidential.

4. The Debtors are authorized, but not directed, to condition payment to the Vendors upon agreement by the Vendor to (i) accept such payment in satisfaction of all or a part of its Vendor Claim, and (ii) continue to provide supplies or services to the Debtors during these Chapter 11 Cases on Customary Trade Terms.

5. As a further condition of receiving payment of a Vendor Claim, the Debtors, in their sole discretion, are authorized, but not directed, to require that the applicable Vendor agrees to take whatever action is necessary to remove any existing Liens or Interests at such Vendor's sole cost and expense and waive any right to assert a Lien or Interest on account of the paid claim of such Vendor.

6. If a Vendor that has received payment of a Vendor Claim later refuses to continue to supply Merchandise or services for the applicable period in compliance with this Final Order, then the Debtors may, in their sole discretion, seek approval of the Court to (a) deem such payment to apply only to post-petition amounts payable to such Vendor, if applicable, or (b) take any and all appropriate steps to cause such Vendor to repay payments made to it on account of its prepetition Vendor Claim to the extent that such payments exceed the post-petition amounts then owing to such Vendor. Upon recovery of such payment by the Debtors, such claim shall be

reinstated in such an amount as to restore the Debtors and the applicable Vendor to their original positions, as if the payment of the creditor's Vendor Claim had not been made, and all rights of Critical and Foreign Vendors are hereby reserved.

7. To the extent a Vendor fails to comply with the Customary Trade Terms or the terms of this Final Order, the Debtors' rights to treat any payment made pursuant to this Final Order as an unauthorized postpetition transfer and to exercise any and all appropriate remedies are reserved, and all rights of Critical and Foreign Vendors are hereby reserved.

8. All applicable banks and other financial institutions are hereby authorized to receive, process, honor and pay all checks presented for payment of, and to honor all fund transfer requests made by the Debtors related to, the claims that the Debtors request authority to pay in the Motion, regardless of whether the checks were presented or fund transfer requests were submitted on, before or after the Petition Date. Such banks and financial institutions are authorized to rely on the representations of the Debtors as to which checks are issued or authorized to be paid pursuant to this Order without any duty of further inquiry and without liability for following the Debtors' instructions.

9. The Debtors are authorized, but not directed, to issue new post-petition checks, or effect new fund transfers, for the Vendor Claims to replace any prepetition checks or fund transfer requests that may be dishonored or rejected and to reimburse the relevant Vendor or the applicable payee, as the case may be, for any fees or costs incurred by them in connection with a dishonored or voided check or funds transfer.

10. The requirements set forth in Bankruptcy Rule 6004(a) are hereby waived.

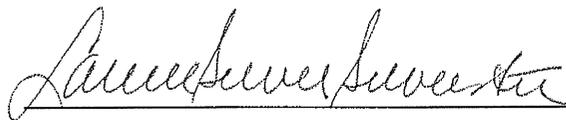
11. Notwithstanding Bankruptcy Rule 6004(h), to the extent applicable, this Final Order shall be effective and enforceable immediately upon entry hereof.

12. Nothing in this Final Order or the Motion shall be deemed to constitute the assumption or adoption of any agreement under Section 365 of the Bankruptcy Code.

13. 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 Final Order.

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

Dated: June 12, 2018
Wilmington, Delaware



THE HONORABLE LAURIE SELBER SILVERSTEIN
UNITED STATES BANKRUPTCY JUDGE

Tab L

THIS IS EXHIBIT "L" TO THE AFFIDAVIT
OF PAUL KOSTUROS SWORN BEFORE ME

ON THIS 13TH DAY OF JUNE, 2018

Lesley A. Morris

A Notary Public in and for the State of Delaware



28 U.S.C. § 1334 and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*, dated February 29, 2012; and the Court having authority to hear the matters raised in the Motion pursuant to 28 U.S.C. § 157; and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and consideration of the Motion and the requested relief being a core proceeding that the Court can determine pursuant to 28 U.S.C. § 157(b)(2); and due and proper notice of the Motion and opportunity for a hearing on the Motion having been given to the parties listed therein, and it appearing that no other or further notice need be provided; and the Court having reviewed and considered the Motion and the First Day Declaration; and the Court having found that the relief requested in the Motion is in the best interests of the Debtors, their creditors, their estates and all other parties in interest; and upon the record herein; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The relief requested in the Motion is hereby granted on a final basis, as set forth herein. All objections to the entry of this Final Order, to the extent not withdrawn or settled, are overruled.

2. The Debtors are authorized, but not directed, in their sole discretion, to pay the Covered Taxes and Fees to the Governmental Authorities (including those Governmental Authorities listed on Exhibit 1 annexed hereto), whether arising before, on or after the Petition Date.

3. The Debtors shall maintain a matrix summarizing (i) the name of each Governmental Authority paid on account of the Covered Taxes, and (ii) the amount paid by each Debtor payor to each Governmental Authority on account of the Covered Taxes. This matrix shall be provided on a weekly basis, one week in arrears, to counsel for the DIP ABL Agent and

DIP Note Purchasers and the professionals retained by any statutory committee appointed in the Chapter 11 Cases, if any; *provided, however*, that the matrix shall be considered confidential.

4. The Debtors are authorized, but not directed, to continue remitting Covered Taxes and Fees in the ordinary course of business on a postpetition basis.

5. All applicable banks and other financial institutions are hereby authorized to receive, process, honor and pay all checks presented for payment of, and to honor all fund transfer requests made by the Debtors related to, the claims that the Debtors request authority to pay in the Motion, regardless of whether the checks were presented or fund transfer requests were submitted on, before or after the Petition Date. Such banks and financial institutions are authorized to rely on the representations of the Debtors as to which checks are issued or authorized to be paid pursuant to this Final Order without any duty of further inquiry and without liability for following the Debtors' instructions.

6. The Debtors are authorized, but not directed, to issue new postpetition checks, or effect new fund transfers, for the Covered Taxes and Fees to replace any prepetition checks or fund transfer requests that may be dishonored or rejected and to reimburse the relevant Governmental Authority or the applicable payee, as the case may be, for any fees or costs incurred by them in connection with a dishonored or voided check or funds transfer.

7. The requirements set forth in Bankruptcy Rule 6004(a) are hereby waived.

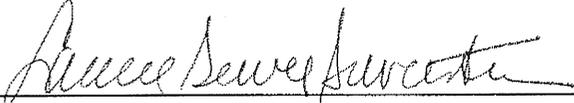
8. Notwithstanding Bankruptcy Rule 6004(h), to the extent applicable, this Final Order shall be effective and enforceable immediately upon entry hereof.

9. Nothing in this Final Order or the Motion shall be deemed to constitute the assumption or adoption of any agreement under Section 365 of the Bankruptcy Code.

10. 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 Final Order.

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

Dated: June 12, 2018
Wilmington, Delaware



THE HONORABLE LAURIE SELBER SILVERSTEIN
UNITED STATES BANKRUPTCY JUDGE

Exhibit 1**Governmental Authority List**

<u>Governmental Authority</u>	<u>Address</u>
Alabama Department of Revenue	50 N Ripley St Montgomery, AL 36130 United States
Alabama Secretary of State, Corporations Division	Business & License Tax Division PO Box 327550 Montgomery, AL 36132-7550 United States
Alberta Treasury Board and Finance Tax and Revenue Administration	9811-109 St NW, Edmonton, AB T5K 2L5 Canada
Arizona Corporation Commission, Corporations Division	1600 W Monroe St Phoenix, AZ 85007 United States
Arizona Department of Revenue	1600 W Monroe St Phoenix, AZ 85007 United States
Arkansas State Revenue	1509 W 7th Street Little Rock, AR 72201 United States
Baltimore County, MD - Clerk of Circuit Court	County Courts Building 401 Bosley Avenue, Mailstop 3102 Towson, MD 21204 United States
Borough of Paramus, NJ	1 West Jockish Square Paramus, NJ 07652 United States
Brandon Tax Services Office	210 - 153 11th Street Brandon, MB R7A 7K6 Canada
California Franchise Tax Board	9646 Butterfield Way Sacramento, CA 95827 United States
California Secretary of State	Department of Tax and Fee Administration PO Box 942879 Sacramento, CA 94279-7072 United States
California State Board of Equalization	15015 Avenue of Science, Suite 200 San Diego, CA 92128 United States
California State Board of Equalization	3321 Power Inn Road, Suite 210 Sacramento, CA 95826-3889 United States
California State Board of Equalization	8050 N Palm Ave, Suite 205 Fresno, CA 93711-5510 United States

<u>Governmental Authority</u>	<u>Address</u>
Canada Revenue Agency	875 Heron Road Ottawa, ON K1A 1B1 Canada
Canada Revenue Agency	9755 King George Blvd Surrey, BC V3T 5E1 Canada
Canada Revenue Agency	Prince Edward Island Tax Centre 275 Pope Road Summerside, PE CIN 6A2 Canada
City of Barstow, CA	220 East Mountain View, Suite A Barstow, CA 92311 United States
City of Branson, MO	110 W Maddux Branson, MO 65616 United States
City of Calgary, AB	Southern Alberta Tax Services Office 220 4th Avenue South East Calgary, AB T2G 0L1 Canada
City of Camarillo, CA	601 Carmen Drive Camarillo, CA 93010 United States
City of Carlsbad, CA	1635 Faraday Avenue Carlsbad, CA 92008 United States
City of Edmonton, AB	2nd Floor, 10111 104 Avenue NW Edmonton, AB T5J 0J4 Canada
City of Gilroy, CA	7351 Rosanna St Gilroy, CA 95020 United States
City of New Orleans, LA	1300 Perdido St New Orleans, LA 70112 United States
City of New York	New York State Dept. of Taxation 9 W A Harriman Campus #100 Albany, NY 12207 United States
City of Newport, RI	Newport County Chamber of Commerce 35 Valley Road Middletown, RI 02842 United States
City of Norfolk, VA	810 Union Street Norfolk, VA 23510 United States
City of Richmond, BC	Richmond City Hall 6911 No. 3 Road Richmond, BC V6Y 2C1 Canada

<u>Governmental Authority</u>	<u>Address</u>
City of Southaven, MS	Southaven City Hall 8710 Northwest Dr. Southaven, MS 38671 United States
City of Sunrise, FL	Community Development - Code Enforcement Division - Business Tax Office 1601 NW 136 Ave., Bldg. A Sunrise, FL 33323 United States
City of Vancouver, BC	City Hall 453 West 12th Ave Vancouver, BC V5Y 1V4 Canada
City of Winnipeg, MB	510 Main Street Winnipeg, MB R3B 1B9 Canada
City of Woodburn, OR	270 Montgomery Street Woodburn, OR 97071 United States
Clark County, NV	500 S. Grand Central Pkwy Las Vegas, NV 89155 United States
Colorado Department of Revenue	Taxation Division 1375 Sherman St. Denver, CO 80261 United States
Colorado Secretary of State	1700 Broadway, Suite 200 Denver, CO 80290 United States
Connecticut Department of Revenue Service	450 Columbus Blvd Hartford, CT 06103 United States
Connecticut Secretary of State, Commercial Recording Division	Department of Revenue Services 450 Columbus Blvd, Ste. 1 Hartford, CT 06103 United States
County of San Diego, CA	San Diego Recorder FBN Section PO Box 121750 San Diego, CA 92112-1750 United States
County of Ventura, CA Dept. of Weights & Measures	800 South Victoria Avenue Ventura, CA 93009-1260 United States
Dawson County, GA	Dawson County Planning and Development 25 Justice Way, Suite 2322 Dawsonville, GA 30534 United States
Delaware Department of Revenue	820 N French St, #2 Wilmington, DE 19801 United States

<u>Governmental Authority</u>	<u>Address</u>
Delaware Secretary of State, Division of Corporations	820 N French St, #2 Wilmington, DE 19801 United States
District of Columbia Office of Tax and Revenue	1101 4th Street, SW Suite 270 West Washington, DC 20024 United States
East Central Ontario Tax Services Office	1475 John Counter Blvd Kingston, ON K7M 0E6 Canada
Edmonton Tax Services Office	9700 Jasper Avenue Suite 10 Edmonton, AB T5J 4C8 Canada
Fairfax County, VA	12000 Government Center Parkway Fairfax, VA 22035 United States
Florida Department of Revenue	5050 W Tennessee Street Tallahassee, FL 32399-0120 United States
Florida Department of State, Division of Corporations	5050 W Tennessee Street Tallahassee, FL 32399-0120 United States
Georgia Department of Revenue	1800 Century Blvd NE Atlanta, GA 30345 United States
Georgia Secretary of State, Corporations Division	1800 Century Blvd NE Atlanta, GA 30345 United States
Gloucester Township, NJ	1261 Chews Landing Road Clementon, NJ 08021 United States
Horry County, SC	211 Beaty Street Conway, SC 29528 United States
Howard County, MD - Clerk of Circuit Court	The Thomas Dorsey Building 9250 Bendix Road Columbia, MD 21045 United States
Idaho Secretary of State, Business Entities	800 E Park Blvd #500 Boise, ID 83712 United States
Idaho State Tax Commission	800 E Park Blvd #500 Boise, ID 83712 United States
Illinois Department of Revenue	100 W Randolph St Chicago, IL 60601 United States
Illinois Secretary of State, Department of Business Services	100 W Randolph St Chicago, IL 60601 United States

<u>Governmental Authority</u>	<u>Address</u>
Indiana Department of Revenue	414 Landmark Ave Bloomington, IN 47403 United States
Indiana Secretary of State, Business Services Division	414 Landmark Ave Bloomington, IN 47403 United States
Internal Revenue Service	Centralized Insolvency Operation 2970 Market St. Mail Stop 5-Q30-133 Philadelphia, PA 19104-5016 United States
Iowa Department of Revenue	1305 E Walnut St #3000 Des Moines, IA 50319 United States
Iowa Secretary of State, Corporations Department	1305 E Walnut St #3000 Des Moines, IA 50319 United States
Kansas Department of Revenue	120 SE 10th Ave Topeka, KS 66675-0680 United States
Kentucky Department of Revenue	501 High St Frankfort, KY 40601 United States
Kitchener Tax Services	166 Frederick St Kitchener, ON N2H 0A9 Canada
Louisiana Department of Revenue	617 North Third Street Baton Rouge, LA 70802 United States
Louisiana Secretary of State, Commercial Division, Corporations Section	617 North Third Street Baton Rouge, LA 70802 United States
Maine Revenue Services	51 Commerce Dr. Augusta, ME 04330 United States
Maine Secretary of State, Bureau of Corporations, Elections And Commissions	51 Commerce Dr. Augusta, ME 04330 United States
Manitoba Tax Assistance Office	#809-386 Broadway Winnipeg, MB R3C 3R6 Canada
Maryland State Department of Assessments And Taxation	110 Carroll Street Annapolis, MD 21411-0001 United States
Massachusetts Department of Revenue	100 Cambridge St Boston, MA 02114 United States
Massachusetts Secretary of The Commonwealth	100 Cambridge St Boston, MA 02114 United States

<u>Governmental Authority</u>	<u>Address</u>
Michigan Corporations, Securities & Commercial Licensing Division	430 W Allegan St Lansing, MI 48912 United States
Michigan Department of Treasury	430 W Allegan St Lansing, MI 48912 United States
Minnesota Department of Revenue	600 North Robert Street St. Paul, MN 55146-6330 United States
Minnesota Secretary of State, Business Services Office	600 North Robert Street St. Paul, MN 55146-6330 United States
Mississippi Department of Revenue	500 Clinton Center Drive Clinton, MS 39056 United States
Mississippi Secretary of State, Business Services Division	500 Clinton Center Drive Clinton, MS 39056 United States
Missouri Department of Revenue	301 W High Street Jefferson City, MO 65101 United States
Missouri Secretary of State, Business Services Department	301 W High Street Jefferson City, MO 65101 United States
Montreal Tax Services Office	305 Rene-Levesque Blvd West Montreal, QC H2Z 1A6 Canada
Nebraska Department of Revenue	301 Centennial Mall S Lincoln, NE 68508 United States
Nevada Secretary of State, Commercial Recordings Division	555 E Washington Ave #1300 Las Vegas, NV 89101 United States
New Hampshire Department of Revenue	109 Pleasant St Concord, NH 03301 United States
New Hampshire Secretary of State, Corporation Division	PO Box 637 Concord, NH 03302-0637 United States
New Jersey Department of The Treasury, Division of Revenue, Business Services Bureau	33 W State St Trenton, NJ 08608 United States
New Jersey Division of Revenue	33 W State St Trenton, NJ 08608 United States
New Mexico Taxation and Revenue Department	1100 South St Francis Drive Santa Fe, NM 87504 United States
New Orleans Bureau of Revenue	1300 Perdido St., RM 1W15 New Orleans, LA 70112 United States

<u>Governmental Authority</u>	<u>Address</u>
New York Department of State, Division of Corporations, State Records And Uniform Commercial Code	9 W A Harriman Campus #100 Albany, NY 12207 United States
New York State Department of Taxation	9 W A Harriman Campus #100 Albany, NY 12207 United States
North Carolina Department of Revenue	502 N Wilmington St Raleigh, NC 27604 United States
North Carolina Secretary of State, Corporations Division	502 N Wilmington St Raleigh, NC 27604 United States
North Central Ontario Tax Services	81 Mulcaster Street Barrie, ON L4M 6T7 Canada
Nova Scotia Tax Services Office	100-145 Hobsons Lake Drive Halifax, NS B3S 0J1 Canada
Ohio Department of Taxation	4485 Northland Ridge Blvd Columbus, OH 43229 United States
Ohio Secretary of State	4485 Northland Ridge Blvd Columbus, OH 43229 United States
Oklahoma Tax Commission	3700 N Classen Blvd #200 Oklahoma City, OK 73118 United States
Oregon Department of Revenue	955 Center Street NE Salem, OR 97301-2555 United States
Oregon Secretary of State, Corporation Division	Public Services Building 255 Capital St, NE, Ste. 151 Salem, OR 97310-1327 United States
Pasco County, FL	38053 Live Oak Avenue Dade City, FL 33523-3894 United States
Pennsylvania Department of Revenue	327 WALNUT ST Harrisburg, PA 17128 United States
Pennsylvania Department of State, Corporation Bureau	327 WALNUT ST Harrisburg, PA 17128 United States
Prince Edward Island Tax Services Office	1-30 Brackley Point Road Charlotte, PE C1A 6X9 Canada
Prince George, MD	14735 Main Street Courthouse Upper Marlboro, MD 20772 United States

<u>Governmental Authority</u>	<u>Address</u>
Province of Prince Edward Island	33 Riverside Drive Charlottetown, PE C1A 7N8 Canada
Revenu Quebec	CP 3000 succursale Place-Desjardins Montreal, QC H5B 1A4 Canada
Rhode Island Division of Taxation	One Capitol Hill Ste. 4 Providence, RI 02908-5802 United States
Rhode Island Secretary of State, Corporations Division	One Capitol Hill Ste. 4 Providence, RI 02908-5802 United States
San Bernardino County, CA	385 N. Arrowhead Avenue San Bernardino, CA 92415 United States
South Carolina Department of Revenue	300 A Outlet Pointe Blvd Columbia, SC 29210 United States
South Carolina Secretary of State, Division of Corporations	300 A Outlet Pointe Blvd Columbia, SC 29210 United States
Southern Alberta Tax Services Office	220 4th Avenue South East Calgary, AB T2G 0L1 Canada
St. Johns County, FL	4040 Lewis Speedway St Augustine, FL 32084 United States
State of Hawaii	Director of Taxation Room 221 830 Punchbowl Street Honolulu, HI 96813-5094 United States
State of Nevada	Taxation Department 555 E Washington Ave #1300 Las Vegas, NV 89101 United States
State of Nevada Sales/Use Tax Department	PO Box 52609 Phoenix, AZ 85072-2609 United States
State of North Dakota	Office of State Tax Commissioner 600 East Boulevard Avenue Dept. 127 Bismarck, ND 58505 United States
State of South Dakota	Business Tax Division 445 East Capitol Avenue Pierre, SD 57501 United States
State of Texas	Comptroller of Public Accounts 1919 N Loop W #510 Houston, TX 77008 United States

<u>Governmental Authority</u>	<u>Address</u>
Sussex County, DE	2 The Circle Georgetown, DE 19947 United States
Tacoma, WA Department of Revenue	2101 4th Ave #1400 Seattle, WA 98121 United States
Tennessee Department of Revenue	500 Deaderick St Nashville, TN 37242 United States
Tennessee Department of Revenue - City of Sevierville	500 Deaderick St Nashville, TN 37242 United States
Tennessee Department of Revenue - Sevier County	500 Deaderick St Nashville, TN 37242 United States
Tennessee Department of State, Division of Business Services	500 Deaderick St Nashville, TN 37242 United States
Texas Secretary of State, Statutory Filings Division, Corporations Section	1919 N Loop W #510 Houston, TX 77008 United States
Texas State Comptroller's Office	111 E 17th St Austin, TX 78701 United States
Toronto Centre Tax Services	1 Front Street West Toronto, ON M5J 2X6 Canada
Toronto Wes-Thunder Bay Tax Services	5800 Hurontario Street Mississauga, ON L5R 4B4 Canada
Town of Leesburg, VA	25 West Market Street Leesburg, VA 20176 United States
Town of Wrentham, MA	79 South Street Wrentham, MA 02093 United States
Tsawwassen First Nation, BC	1926 Tsawwassen Drive Tsawwassen, BC V4M 4G2 Canada
Upper Merion Township, PA	175 West Valley Forge Road King of Prussia, PA 19406-1802 United States
Utah Department of Commerce, Division of Corporations & Commercial Code	210 N 1950 W Salt Lake City, UT 84134-0400 United States
Utah State Tax Commission	210 N 1950 W Salt Lake City, UT 84134-0400 United States
Vancouver Tax Services Office	468 Terminal Ave Vancouver, BC V6A 0C1 Canada

<u>Governmental Authority</u>	<u>Address</u>
Vancouver Tax Services Office	9755 King George Blvd Surrey, BC V3T 5E1 Canada
Vermont Department of Taxes	133 State St Montpelier, VT 05602 United States
Virginia Department of Revenue	1957 Westmoreland St Richmond, VA 23230 United States
Virginia State Corporation Commission	1957 Westmoreland St Richmond, VA 23230 United States
Washington Department of Revenue	2101 4th Ave #1400 Seattle, WA 98121 United States
Washington Office of The Secretary of State, Corporations Division	2101 4th Ave #1400 Seattle, WA 98121 United States
West Virginia Sales and Use Tax Department	PO Box 1826 Charleston, WV 25237-1826 United States
West Virginia Secretary of State	1124 Smith St Charleston, WV 25301 United States
West Virginia State Tax Department	1124 Smith St Charleston, WV 25301 United States
Western Quebec Tax Services Office	3400 Jean-Beraud Avenue Laval, QC H7T 2Z2 Canada
Wisconsin Department of Revenue	2135 Rimrock Rd Madison, WI 53708 United States
Wyoming Department of Revenue	122 West 25th Street, 2nd Floor West Cheyenne, WY 82002-0110 United States

Tab M

THIS IS EXHIBIT "M" TO THE AFFIDAVIT
OF PAUL KOSTUROS SWORN BEFORE ME

ON THIS 13TH DAY OF JUNE, 2018

Lesley A. Morris

A Notary Public in and for the State of Delaware



the extent necessary to permit the Debtors' employees to proceed with any claims they may have under the Workers' Compensation Program; and (iii) authorizing financial institutions to receive, process, honor and pay related checks or transfers, as more fully described in the Motion; and the Court having jurisdiction to consider the matters raised in the Motion pursuant to 28 U.S.C. § 1334, and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*, dated February 29, 2012; and the Court having authority to hear the matters raised in the Motion pursuant to 28 U.S.C. § 157; and the Court having venue pursuant to 28 U.S.C. §§ 1408 and 1409; and consideration of the Motion and the requested relief being a core proceeding that the Court can determine pursuant to 28 U.S.C. § 157(b)(2); and due and proper notice of the Motion and opportunity for a hearing on the Motion having been given to the parties listed therein, and it appearing that no other or further notice need be provided; and the Court having reviewed and considered the Motion and the First Day Declaration; and the Court having found that the relief requested in the Motion is in the best interests of the Debtors, their creditors, their estates and all other parties in interest; and upon the record herein; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The relief requested in the Motion is hereby granted on a final basis, as set forth herein. All objections to the entry of this Final Order, to the extent not withdrawn or settled, are overruled.
2. The Debtors are authorized and empowered to maintain and continue their Insurance Programs³ and Surety Bond Program without interruption and consistent with their prepetition practices.

³ For the avoidance of doubt, the omission of a particular insurance policy on Exhibit A to the Motion shall not operate to exclude such policy from the coverage of this Final Order.

3. The Debtors are authorized, but not directed, to pay the Insurance Obligations owed in connection with the Insurance Programs (including the Broker's Fees and any amounts due in connection with the Premium Financing and Insurance Deductibles) and the Surety Bond Obligations owed in connection with the Surety Bond Program, whether due and payable before, on or after the Petition Date.

4. The Debtors are authorized, but not directed, to (a) renew or obtain new insurance policies or execute other agreements in connection with their Insurance Programs, including, without limitation, upon the expiration or termination of any Insurance Program and (b) enter into insurance Premium Financing transactions in connection with the Insurance Programs. Absent further order of this Court upon notice, during the course of these Chapter 11 Cases, the Debtors shall not renew or enter into any new Premium Financing agreement upon any terms less favorable than those in the existing Finance Agreements.

5. Notwithstanding anything to the contrary in the Finance Agreements, in the event that the Debtors default under the terms of either of the Finance Agreements, the PFA Lender shall not cancel any Financed Policy of the Debtors without first providing (i) notice of such default in writing by overnight mail to the Debtors and their bankruptcy counsel, and (ii) at least five (5) business days from the receipt of such notice to cure. If the Debtors fail to cure the default within that time, then the PFA Lender may, in accordance with the terms of the respective Finance Agreement, and without further order of this Court, exercise any and all of its rights under the respective Finance Agreement.

6. Pursuant to Section 362(d) of the Bankruptcy Code, the automatic stay, to the extent applicable, shall be modified to the extent necessary to permit: (i) the Debtors' current or former employees to proceed with any claims they may have under the Workers' Compensation

Program; and (ii) the Insurance Carriers to handle, administer, defend, settle and/or pay claims, and honor and pay any obligations arising under the Workers' Compensation Program, regardless of whether accruing or relating to the period before or after the Petition Date.

7. Nothing in the Motion or this Order alters or amends the terms and conditions of the Insurance Programs or relieves the Debtors of any of their obligations thereunder.

8. All applicable banks and other financial institutions are hereby authorized to receive, process, honor and pay all checks presented for payment of, and to honor all fund transfer requests made by the Debtors related to, the claims that the Debtors request authority to pay in the Motion, regardless of whether the checks were presented or fund transfer requests were submitted before, on or after the Petition Date. Such banks and financial institutions are authorized to rely on the representations of the Debtors as to which checks are issued or authorized to be paid pursuant to this Final Order without any duty of further inquiry and without liability for following the Debtors' instructions.

9. The Debtors are authorized, but not required, to issue new post-petition checks, or effect new fund transfers, for the Insurance Obligations to replace any prepetition checks or fund transfer requests that may be dishonored or rejected and to reimburse Insurance Carriers, Brokers or the applicable payee, as the case may be, for any fees or costs incurred by them in connection with a dishonored or voided check or funds transfer.

10. The requirements set forth in Bankruptcy Rule 6004(a) are hereby waived.

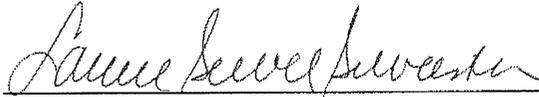
11. Notwithstanding Bankruptcy Rule 6004(h), to the extent applicable, this Final Order shall be effective and enforceable immediately upon entry hereof.

12. Nothing in this Final Order or the Motion shall be deemed to constitute the assumption or adoption of any agreement under Section 365 of the Bankruptcy Code.

13. 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 Final Order.

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

Dated: June 12, 2018
Wilmington, Delaware



THE HONORABLE LAURIE SELBER SILVERSTEIN
UNITED STATES BANKRUPTCY JUDGE

Tab N

THIS IS EXHIBIT "N" TO THE AFFIDAVIT
OF PAUL KOSTUROS SWORN BEFORE ME

ON THIS 13TH DAY OF JUNE, 2018

Wesley A. Morris

A Notary Public in and for the State of Delaware



**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. ¹	)	(Jointly Administered)
	)	Re: Docket Nos. 11 & 57

**FINAL ORDER AUTHORIZING (I) THE DEBTORS TO (A) PAY CERTAIN
EMPLOYEE COMPENSATION AND BENEFITS, (B) MAINTAIN AND
CONTINUE SUCH BENEFITS AND OTHER EMPLOYEE-RELATED PROGRAMS,
AND (C) PAY PREPETITION CLAIMS OF INDEPENDENT
CONTRACTORS AND TEMPORARY WORKERS AND (II) FINANCIAL
INSTITUTIONS TO HONOR AND PROCESS RELATED CHECKS AND TRANSFERS**

Upon the Debtors’ motion (the “**Motion**”),² for entry of interim and final orders, under Sections 105(a), 363, and 507(a) of the Bankruptcy Code and Bankruptcy Rules 6003 and 6004, (i) authorizing the Debtors to (a) pay prepetition wages, salaries, independent contractor obligations, temporary worker obligations, reimbursable expenses, and other obligations on account of the Compensation and Benefits Programs in the ordinary course of business as provided in the Motion and (b) continue to administer the Compensation and Benefits Programs and (ii) authorizing financial institutions to receive, process, honor and pay checks or wire transfers used by the Debtors to pay the foregoing, all as more fully described in the Motion; and the Court having jurisdiction to consider the matters raised in the Motion pursuant to

¹ 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.

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

28 U.S.C. § 1334, and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*, dated February 29, 2012; and the Court having authority to hear the matters raised in the Motion pursuant to 28 U.S.C. § 157; and the Court having venue pursuant to 28 U.S.C. §§ 1408 and 1409; and consideration of the Motion and the requested relief being a core proceeding that the Court can determine pursuant to 28 U.S.C. § 157(b)(2); and due and proper notice of the Motion and opportunity for a hearing on the Motion having been given to the parties listed therein, and it appearing that no other or further notice need be provided; and the Court having reviewed and considered the Motion and the First Day Declaration; and the Court having found that the relief requested in the Motion is in the best interests of the Debtors, their creditors, their estates and all other parties in interest; and upon the record herein; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The relief requested in the Motion is hereby granted on a final basis, as set forth herein. All objections to the entry of this final order (this “**Final Order**”), to the extent not withdrawn or settled, are overruled.

2. The Debtors are authorized, but not directed, in their discretion and business judgment, to (i) pay or otherwise honor all obligations under the Compensation and Benefits Programs in an amount not to exceed \$3,800,000.00 absent further order of this Court; (ii) honor and continue their Compensation and Benefits Programs that were in effect as of the Petition Date, in the ordinary course of business, and in the same manner and on the same basis as the Debtors honored and continued such Compensation and Benefits Programs before the Petition Date; and (iii) withhold all federal, state, provincial and local taxes relating to the Compensation and Benefits Programs as required by applicable law; *provided that* the Debtors

are not authorized to pay any Severance Obligations to any insider, as such term is defined in Section 101(31) of the Bankruptcy Code, absent further order of the Court.

3. Nothing in the Motion or this Final Order shall be deemed to violate or permit a violation of Section 503(c) of the Bankruptcy Code.

4. Each of the banks at which the Debtors maintain their accounts relating to the payment of obligations on account of the Compensation and Benefits Programs are authorized to (i) receive, process, honor, and pay all checks presented for payment and to honor all fund transfer requests made by the Debtors related thereto, to the extent that sufficient funds are on deposit in those accounts and (ii) accept and rely on all representations made by the Debtors with respect to which checks, drafts, wires, or automated clearing house transfers should be honored or dishonored in accordance with this or any other order of the Court, whether such checks, drafts, wires, or transfers are dated prior to, on, or subsequent to the Petition Date, without any duty to inquire otherwise.

5. The Debtors are authorized, but not directed, to issue new postpetition checks, or effect new electronic funds transfers, on account of obligations in connection with the Compensation and Benefits Programs as set forth herein, and to replace any prepetition checks or electronic fund transfer requests that may be lost or dishonored or rejected as a result of the commencement of the Debtors' Chapter 11 Cases.

6. The requirements set forth in Bankruptcy Rule 6004(a) are hereby waived.

7. Notwithstanding Bankruptcy Rule 6004(h), to the extent applicable, this Final Order shall be effective and enforceable immediately upon entry hereof.

8. Nothing in this Final Order or the Motion shall be deemed to constitute the assumption or adoption of any agreement under Section 365 of the Bankruptcy Code.

9. 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 Final Order.

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

Dated: June 12, 2018
Wilmington, Delaware



THE HONORABLE LAURIE SELBER SILVERSTEIN
UNITED STATES BANKRUPTCY JUDGE

Tab 0

THIS IS EXHIBIT "O" TO THE AFFIDAVIT
OF PAUL KOSTUROS SWORN BEFORE ME

ON THIS 13TH DAY OF JUNE, 2018

Lesley A. Morris

A Notary Public in and for the State of Delaware



fully described in the Motion; and the Court having jurisdiction to consider the matters raised in the Motion pursuant to 28 U.S.C. § 1334 and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*, dated February 29, 2012; and the Court having authority to hear the matters raised in the Motion pursuant to 28 U.S.C. § 157; and the Court having venue pursuant to 28 U.S.C. §§ 1408 and 1409; and consideration of the Motion and the requested relief being a core proceeding that the Court can determine pursuant to 28 U.S.C. § 157(b)(2); and due and proper notice of the Motion and opportunity for a hearing on the Motion having been given to the parties listed therein, and it appearing that no other or further notice need be provided; and the Court having reviewed and considered the Motion and the First Day Declaration; and the Court having found that the relief requested in the Motion is in the best interests of the Debtors, their creditors, their estates and all other parties in interest; and upon the record herein; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The relief requested in the Motion is hereby granted on a final basis, as set forth herein. All objections to the entry of this Final Order, to the extent not withdrawn or settled, are overruled.
2. Absent further order of this Court, the Utility Companies, including any subsequently added Utility Companies, are prohibited from altering, refusing or discontinuing any Utility Services to, or discriminating against, the Debtors on account of prepetition amounts outstanding or on account of any perceived inadequacy of the Debtors' proposed adequate assurance.
3. To the extent not already deposited pursuant to the Interim Order, the Debtors shall deposit the Adequate Assurance Deposit in the Utility Deposit Account within twenty (20)

calendar days of entry of this Final Order. The Adequate Assurance Deposit shall serve as a cash security deposit to provide adequate assurance of payment for Utility Services provided to the Debtors after the Petition Date and through the Pendency of these cases. The Adequate Assurance Deposit may be reduced by the Debtors, without further order, to account for the termination of Utility Services by the Debtors upon reconciliation and payment by the Debtors of the Utility Company's final invoice in accordance with applicable nonbankruptcy law, provided, however, that there are no outstanding disputes related to postpetition payments due, or upon other arrangements with respect to adequate assurance of payment reached with a Utility Company. The obligation to maintain the Adequate Assurance Deposit shall terminate upon the effective date of a confirmed Chapter 11 plan or such other time as these cases may be closed.

4. The following procedures (the "**Adequate Assurance Procedures**") are hereby approved with respect to all Utility Companies, including all subsequently added Utility Companies:

(a) The Debtors or their advisors will provide a copy of the Motion and this Final Order to each of the Utility Companies listed on the Utilities List, attached hereto as Exhibit 1, within two business days after entry of this Final Order by the Court.

(b) If a Utility Company is not satisfied with the Proposed Adequate Assurance, it must serve a written request (a "**Request**") upon (i) the Debtors, c/o The Rockport Company, LLC, 1220 Washington Street, West Newton, Massachusetts 02465, Attn: Paul Kosturos, (ii) proposed counsel to the Debtors, Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, Delaware 19801, Attn: Amanda R. Steele, Esq. and Brendan J. Schlauch, Esq., (iii) counsel to the Prepetition Noteholders and DIP Note Lenders, (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, 17th Floor, Wilmington, Delaware 19801, Attn: Bradford J. Sandler, bsandler@pszjlaw.com and James E. O'Neill, joneill@pszjlaw.com, and (iv) counsel to the ABL Administrative Agent and DIP ABL Agent, (a) Riemer Braunstein LLP, Three Center Plaza, 6th 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., 8th Floor, Wilmington, Delaware 19801, Attn: Gregory A. Taylor, GTaylor@ashbygeddes.com, and the Request must set forth (1) the

location(s) for which Utility Services are provided, (2) the account number(s) for such location(s), (3) the outstanding balance for each account, and (4) an explanation of why the Utility Company believes that the Proposed Adequate Assurance is not sufficient adequate assurance of future payment.

(c) If the Debtors determine, in their sole discretion, that a Request or any consensual agreement reached in connection therewith is reasonable, the Debtors, without further order of the Court, may enter into agreements granting additional adequate assurance to the Utility Company serving such Request and, in connection with such agreements, provide the Utility Company with additional adequate assurance of payment, including cash deposits, prepayments or other forms of security, with three days' advance notice to counsel to the Prepetition Noteholders and DIP Note Lenders and notice to the Office of the United States Trustee for the District of Delaware (the "U.S. Trustee") and any counsel to any statutory committee appointed in the Chapter 11 Cases within 15 days.

(d) If the Debtors, in their sole discretion, determine that a Request is unreasonable, then they shall promptly negotiate with the requesting party and if unable to reach a prompt resolution to the Request, set the matter for hearing at the next regularly scheduled omnibus hearing date in the case. Pending the hearing, the Utility Company that is the subject of the unresolved Request may not alter, refuse or discontinue services to the Debtors.

(e) Absent compliance with the procedures set forth in the Motion and this Order, the Debtors' Utility Companies are prohibited from altering, refusing or discontinuing service on account of any unpaid prepetition charges and are deemed to have received adequate assurance of payment in compliance with Section 366 of the Bankruptcy Code.

5. The Utility Companies have been provided with adequate assurance of payment within the meaning of Section 366 of the Bankruptcy Code by virtue of the Proposed Adequate Assurance and the Adequate Assurance Procedures as proposed are hereby approved. As a result, the Utility Companies are prohibited from altering, refusing or discontinuing Utility Services on account of prepetition amounts outstanding or on account of any perceived inadequacy of the Adequate Assurance Procedures, and the Debtors are not required to provide any additional adequate assurance beyond what is stated in this Final Order.

6. The Debtors are authorized to amend the Utilities List to add or delete any Utility Company. For those Utility Companies that are subsequently added to Utilities List, the Debtors

shall serve a copy of the Motion and this Final Order on such Utility Company, along with an amended Utilities List that includes such Utility Company. Any such amended Utilities List shall be filed with the Court. Such subsequently added Utility Company who objects to the entry of this Final Order must file an objection in accordance with the Bankruptcy Rules, the Local Rules and the Adequate Assurance Procedures.

7. The Debtors shall increase the amount of the Adequate Assurance Deposit in the event an additional Utility Company is added to the Utilities List by an amount equal to two weeks of Utility Service provided by such additional Utility Company, calculated using the historical average for such payments over the past twelve (12) months. This Final Order shall be binding on any additional Utility Company once the Adequate Assurance Deposit has been increased for such additional Utility Company.

8. The Debtors may terminate the services of any Utility Company and may reduce the Adequate Assurance Deposit by the amount held on account of such terminated Utility Company upon reconciliation and payment by the Debtors of the Utility Company's final invoice in accordance with applicable nonbankruptcy law, provided, however, that there are no outstanding disputes related to postpetition payments due. The Debtors may amend the Utilities List to delete a Utility Company only if the Debtors have provided two weeks' advance notice to such Utility and have not received any objection from such Utility Company. If an objection is received, the Debtors shall request a hearing before this Court at the next omnibus hearing date, or such other date

9. Notwithstanding anything to the contrary in any order of this Court, including any DIP financing order, no creditor, including the DIP Lenders, shall have any interest in or lien on the Adequate Assurance Deposit.

10. Nothing herein constitutes a finding that any entity is or is not a Utility Company hereunder or under Section 366 of the Bankruptcy Code, whether or not such entity is included in the Utilities List.

11. The Debtors are authorized, but not directed, to pay on a timely basis, in accordance with their prepetition practices, all undisputed invoices for Utility Services rendered by the Utility Companies to the Debtors after the Petition Date.

12. The requirements set forth in Bankruptcy Rule 6004(a) are hereby waived.

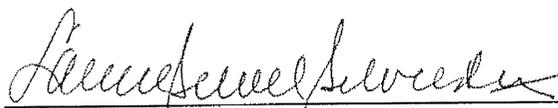
13. Notwithstanding Bankruptcy Rule 6004(h), to the extent applicable, this Final Order shall be effective and enforceable immediately upon entry hereof.

14. Nothing in this Final Order or the Motion shall be deemed to constitute the assumption or adoption of any agreement under Bankruptcy Code Section 365.

15. 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 Final Order.

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

Dated: June 12, 2018
Wilmington, Delaware



THE HONORABLE LAURIE SELBER SILVERSTEIN
UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

Utilities List

Legal Entity	Utility Company Name & Address	Account Number	Type of Utility	Service Location Address	Amount of Security Deposit	Estimated Monthly Bill	Estimated Adequate Assurance
The Rockport Company, LLC	Allied Waste Services of MA LLC #097 18500 North Allied Way Phoenix, AZ 85054 United States	3-0097-3088333	Trash	240 Thames Street Newport, RI 02840 United States	\$-	\$2,154.17	\$1,077.08
The Rockport Company, LLC	BGE 2 Center Plaza - 110 West Fayette Street Baltimore, MD 21201 United States	115337417	Electric	825 Dulaney-Valley Road Store 378 Towson, MD 21204 United States	\$671.00	\$359.91	\$179.96
The Rockport Company, LLC	Columbia Gas of MA 801 East 86th Avenue Merrillville, IN 46410 United States	494-087-004-6	Gas	1 Premium Outlets Boulevard Apt 417 BC-2 Wrentham, MA 02093 United States	\$-	\$46.95	\$115.00
The Rockport Company, LLC	Comcast of Massachusetts | Inc 3303 Main Street Springfield, MA 01107 United States	934487534	Internet	1220 Washington Street West Newton, MA 02465 United States	\$-	\$4,401.08	\$2,200.54
The Rockport Company, LLC	Delmarva Power 500 North Wakefield Drive Newark, DE 19702 United States	50005117192	Electric	35016 Midway Outlet Drive # 319 Rehoboth Beach, DE 19971 United States	\$-	\$335.46	\$167.73
The Rockport Company, LLC	Duke Energy Corporation 550 South Tryon Street Charlotte, NC 28202 United States	1642158405	Electric	4000 Arrowhead Blvd Ste #854 Mebane, NC 27302 United States	\$630.00	\$347.59	\$173.80
Rockport Canada ULC	Enbridge 200, Fifth Avenue Place 425 1st Street SW Calgary, AB T2P 3L8 Canada	91-00-21-17202-2	Gas	3401 Dufferin Street CRU 226 North York, ON M6A 219 Canada	\$-	\$119.07	\$59.54
Rockport Canada ULC	Enbridge Consumers Gas 200, Fifth Avenue Place 425 1st Street SW Calgary, AB T2P 3L8 Canada	91-00-24-06026-1	Gas	1571 Sandhurst Circle Unit 111 Scarborough, ON M1V 1V2 Canada	\$385.00	\$224.89	\$112.44
Rockport Canada ULC	Energise Hydro 2185 Derry Rd W Mississauga, ON L5N 7A6 Canada	8452293369	Electric	55-1250 South Service Road Mississauga, ON L5E 1V4 Canada	\$800.80	\$704.41	\$352.21

Legal Entity	Utility Company Name & Address	Account Number	Type of Utility	Service Location Address	Amount of Security Deposit	Estimated Monthly Bill	Estimated Adequate Assurance
Rockport Canada ULC	Enmax 141 50 Avenue S.E. Calgary, AB T2G 4S7 Canada	601964672	Electric	1161 6455 Macleod Trail SW Calgary, AB T2H 0K8 Canada	\$462.00	\$174.22	\$87.11
The Rockport Company, LLC	Energy Mississippi, Inc. 308 East Pearl Street Jackson, MS 39201 United States	127951358	Electric	5205 Airways Boulevard Ste 1010 Southaven, MS 38671- 5859 United States	\$-	\$427.57	\$213.79
The Rockport Company, LLC	Fireside Natural Gas LLC 2655 Dallas Hwy SW Ste 250 Marietta, GA 30064-2597 United States	4798263074	Gas	800 Highway 400 S F1052 Dawsonville, GA 30534 United States	\$-	\$54.19	\$27.09
Rockport Canada ULC	Fortisbc Energy Inc 1111 West Georgia St 10th Fl Vancouver, BC V6E 4M3 Canada	3963961	Gas	1019-7899 Templeton Station Road Richmond, BC V7B 1Y7 Canada	\$-	\$77.70	\$38.85
The Rockport Company, LLC	Fuze Inc 10 Wilson Rd Cambridge, MA 02138-1128 United States	30852	Phone	1220 Washington Street West Newton, MA 02465 United States	\$-	\$29,772.56	\$14,866.28
The Rockport Company, LLC	Granite Telecommunications 100 Newport Avenue Extension Quincy, MA 02171 United States	30091 / 607099 / 607100 / 607101	Phone	Multiple Addresses	\$-	\$2,674.11	\$1,337.06
Rockport Canada ULC	Hydro Ottawa Ltd. A S De Station A Toronto, ON M5W 5Z1 Canada	2581939-41917- 93496602	Electric	100 Bayshore Drive Unit CC13 Nepean, ON K2B 8C1 Canada	\$693.00	\$435.35	\$217.68
Rockport Canada ULC	Hydro Quebec Edifice Jean-Lesage, 75 Boulevard Rene-Levesque Ouest 20E Etage Montreal, QC H2Z 1A4 Canada	299083962215	Electric	CP 270 SUCC Youville Montreal, QC H2P 2V4 Canada	\$1,617.00	\$592.49	\$296.25
Rockport Canada ULC	Hydro Quebec Edifice Jean-Lesage, 75 Boulevard Rene-Levesque Ouest 20E Etage Montreal, QC H2Z 1A4 Canada	299083972347	Electric	3035 bou lie Carnefour Lot R-32 Laval, QC H7T 1C7 Canada	\$1,155.00	\$603.04	\$301.52
Rockport Canada ULC	Hydro Quebec Edifice Jean-Lesage, 75 Boulevard Rene-Levesque Ouest 20E Etage Montreal, QC H2Z 1A4 Canada	299 083 966 729	Electric	Magasin E9A 3131 Boul De La Cole- Vertu Saint-Laurent, QC H4R 1Y8 Canada	\$1,078.00	\$558.97	\$279.49

Legal Entity	Utility Company Name & Address	Account Number	Type of Utility	Service Location Address	Amount of Security Deposit	Estimated Monthly Bill	Estimated Adequate Assurance
Rockport Canada ULC	Inpower Corporation 7251 Yonge St. Innisfil, ON L9S 0J3 Canada	020-030862-01	Electric	3311 County Road 89 U-C24 Cookstown, ON L0L 1L0 Canada	\$1,070.30	\$370.65	\$185.33
The Rockport Company, LLC	International Environmental Management 24516 Network Pl Chicago, IL 60673-1245 United States	3101076	Trash	500 Port of New Orleans Suite 260 New Orleans, LA 70130 United States	\$-	\$274.87	\$137.44
The Rockport Company, LLC	Jersey Central Power & Light 76 South Main Street Akron, OH 44308 United States	100-121-647-166	Electric	537 Monmouth Road JKSN Unit 326 Jackson, NJ 08527 United States	\$1,276.00	\$721.20	\$360.60
The Rockport Company, LLC	Keter Environmental Services Inc 1177 High Ridge Road Stamford, CT 06905 United States	1510100	Trash	90-15 Queens Blvd Elmhurst, NY 11373 United States	\$-	\$936.76	\$458.38
Rockport Canada ULC	Maritime Electric 180 Kent Street Charlottetown, PE C1A 7N2 Canada	132079-054397-0001	Electric	15 Milky Way Charlottetown, PE C1E 2E2 Canada	\$-	\$333.04	\$166.52
The Rockport Company, LLC	National Grid 40 Sylvan Road Waltham, MA 02451 United States	00941-04006	Electric	1 Mill Street Newport, RI 02840 United States	\$149.17	\$34.69	\$17.34
The Rockport Company, LLC	National Grid 40 Sylvan Road Waltham, MA 02451 United States	87934-38023	Electric	1 Premium Outlets Boulevard Apt 417 BC-2 Wrentham, MA 02093 United States	\$149.17	\$978.26	\$489.13
The Rockport Company, LLC	National Grid 40 Sylvan Road Waltham, MA 02451 United States	65128-22012	Electric	1770 W Main Street U1503 Riverhead, NY 11901 United States	\$149.17	\$318.95	\$159.48
The Rockport Company, LLC	National Grid 40 Sylvan Road Waltham, MA 02451 United States	62874-31007	Electric	240 Thames Street Newport, RI 02840 United States	\$149.17	\$1,195.70	\$597.85
The Rockport Company, LLC	National Grid 40 Sylvan Road Waltham, MA 02451 United States	15503-28009	Electric	240 Thames Street Newport, RI 02840 United States	\$149.17	\$158.99	\$79.50

Legal Entity	Utility Company Name & Address	Account Number	Type of Utility	Service Location Address	Amount of Security Deposit	Estimated Monthly Bill	Estimated Adequate Assurance
The Rockport Company, LLC	National Grid 40 Sylvan Road Waltham, MA 02451 United States	50838-26235	Gas	1220 Washington Street West Newton, MA 02465 United States	\$149.17	\$858.22	\$429.11
Rockport Canada ULC	Niagara-On-The-Lake Hydro Inc. 8 Henegan Road Virgil, ON L0S 1T0 Canada	00025873-02	Electric	300 Taylor Road 615 Niagara On The Lake, ON L0S 1J0 Canada	\$737.08	\$360.11	\$180.06
The Rockport Company, LLC	NJ Natural Gas Co 1415 Wyckoff Road Wall, NJ 07719 United States	22-0005-9623-72	Gas	537 Monmouth Road JKSN Unit 326 Jackson, NJ 08527 United States	\$-	\$129.72	\$64.86
Rockport Canada ULC	Nova Scotia Power Inc. 1223 Lower Water Street Halifax, NS B3J 3S8 Canada	1719483-8	Electric	7001 Mumford Road Apt #102B Halifax, NS B3L 4T8 Canada	\$-	\$233.66	\$116.83
The Rockport Company, LLC	NV Energy 6226 West Sahara Avenue Las Vegas, NV 89520-3150 United States	3000266377012134462	Electric	3200 South Las Vegas Boulevard Las Vegas, NV 89109 United States	\$-	\$166.28	\$83.14
The Rockport Company, LLC	Orange & Rockland 390 West Route 59 Spring Valley, NY 10977-0808 United States	09301-06013	Electric	169 Marigold Court Store C- 16 Central Valley, NY 10917 United States	\$-	\$906.59	\$453.30
Rockport Canada ULC	Oshawa Puc Networks Inc. 100 Simcoe St S Oshawa, ON L1H 7M7 Canada	00051645-07	Electric	419 King Street W 2100 Oshawa, ON L1J 2K5 Canada	\$-	\$600.76	\$300.38
The Rockport Company, LLC	Pepco 701 Ninth Street, NW Washington, DC 20068 United States	5000-6082-064	Electric	6800H Oxon Hill Road #845 Oxon Hill, MD 20745 United States	\$-	\$407.31	\$203.66
The Rockport Company, LLC	PG&E 77 Beale Street PO Box 770000 San Francisco, CA 94177 United States	9274710457-5	Electric and Gas	681 Leavesley Road Ste #270 Gilroy, CA 95020 United States	\$-	\$1,063.25	\$531.62

Legal Entity	Utility Company Name & Address	Account Number	Type of Utility	Service Location Address	Amount of Security Deposit	Estimated Monthly Bill	Estimated Adequate Assurance
The Rockport Company, LLC	Portland General Electric 121 Southwest Salmon Street Portland, OR 97204 United States	0020 78875-754342-5	Electric	1001 Arney Road NE Ste T632H Woodburn, OR 97071 United States	\$274.00	\$567.66	\$283.83
Rockport Canada ULC	Power Stream 161 Cityview Boulevard Vaughan, ON L4H 0A9 Canada	0955706041	Electric	9350 Yonge Street Unit E005 Richmond Hill, ON L4C 5G2 Canada	\$-	\$355.12	\$177.56
The Rockport Company, LLC	PPL Electric Utilities 2 North 9th St CPC-GENN1 Allentown, PA 18101-1139 United States	64250-94002	Electric	627 Stanley K Tanger Boulevard Lancaster, PA 17602 United States	\$769.00	\$453.2	\$226.61
The Rockport Company, LLC	PSE&G 5 Century Ln South Plainfield, NJ 07080-1301 United States	69-100-766-05	Electric	1 Garden State Plaza SPC L7 Paramus, NJ 07652 United States	\$-	\$306.69	\$153.35
The Rockport Company, LLC	PSEG Long Island 333 Earle Ovington Boulevard Uniondale, NY 11553 United States	9569019503	Electric	826 1170 West Main Street Unit 1503 Riverhead, NY 11901 United States	\$1,810.00	\$831.49	\$415.75
The Rockport Company, LLC	PSEG Long Island 333 Earle Ovington Boulevard Uniondale, NY 11553 United States	5034463407	Electric	107-1A Rsvit Fid Mall Rm 7 Garden City, NY 11530 United States	\$1,880.00	\$656.72	\$328.36
The Rockport Company, LLC	Santee Cooper 1 Riverwood Drive Moncks Corner, SC 29461-0188 United States	9124461655	Electric	10823 Kings Road Ste 810 Myrtle Beach, SC 29572 United States	\$-	\$304.48	\$152.24
The Rockport Company, LLC	Savnee Electric Membership 543 Atlanta Highway Cumming, GA 30040 United States	2426278000	Electric	800 Highway 400 S F 1052 Dawsonville, GA 30534 United States	\$-	\$406.91	\$203.45
Rockport Canada ULC	Shaw Cablesystems GP 630 3 Avenue SW Suite 900 Calgary, AB T2P 4L4 Canada	014-2277-0053 / 031-2394-8269	Internet and Cable	210-5000 Canoe Pass Way 1sawwassen, BC VAM 0B3 Canada Cross Iron Mills 261055 Crossiron Blvd Calgary, AB T4A 0G3 Canada	\$-	\$174.96	\$67.48
The Rockport Company, LLC	Southern California Edison 2244 Walnut Grove Avenue PO Box 800 Rosemead, CA 91770-0300 United States	2-37-775-7646	Electric	990 Camarillo Center Drive Ste 1012 Camarillo, CA 93010 United States	\$-	\$531.59	\$265.79

Legal Entity	Utility Company Name & Address	Account Number	Type of Utility	Service Location Address	Amount of Security Deposit	Estimated Monthly Bill	Estimated Adequate Assurance
The Rockport Company, LLC	Sustainable Solutions Group 7977 Highway 92 Woodstock, GA 30189 United States	ROC4412251	Trash	Rockport Shoes #917 Tyson's Corner McLean, VA 22102 United States	\$-	\$112.53	\$56.27
Rockport Canada ULC	Toronto Hydro 14 Carlton Street Toronto, ON M5B 1K5 Canada	2138890000	Electric	1571 Sandhurst Circle Unit 500 Scarborough, ON M1V 1V2 Canada	\$-	\$476.24	\$238.12
Rockport Canada ULC	Toronto Hydro-Electric Sys Ltd 14 Carlton Street Toronto, ON M5B 1K5 Canada	1928608290	Electric	3401 Duffing Street CRU 226 North York, ON M6A 2T9 Canada	\$-	\$337.02	\$68.51
Rockport Canada ULC	Union Gas Limited 50 Keil Drive North PO Box 2001 Chatham, ON N7M 5M1 Canada	658-3332-161-7678	Gas	25 Benjamin Road E Unit WG13 Waterloo, ON N2V 2G8 Canada	\$385.00	\$46.79	\$23.39
The Rockport Company, LLC	Upper Merion Sewer Revenue 175 West Valley Forge Road King Of Prussia, PA 19406-1802 United States	0060020433	Trash	2053 Court Boulevard King of Prussia, PA 19406 United States	\$-	\$69.00	\$34.50
The Rockport Company, LLC	Verizon Wireless Services LLC 1 Verizon Way Basking Ridge, NJ 07920 United States	242074496-00001	Phone		\$-	\$15,269.49	\$7,634.75
Rockport Canada ULC	Waterloo North Hydro PO Box 640 526 Country Squire Rd Waterloo, ON N2J 4A3 Canada	530281-1239138	Electric	43-25 Benjamin Road Woolwich, ON N0B 2N0 Canada	\$1,078.00	\$281.84	\$140.92
The Rockport Company, LLC	We Energies 231 West Michigan Street PO Box 2046 Milwaukee, WI 53201 United States	5670-638-757	Electric and Gas	11601 108th Street Ste #569 Pleasant Prairie, WI 53158 United States	\$-	\$394.86	\$197.43

Tab P

THIS IS EXHIBIT "P" TO THE AFFIDAVIT
OF PAUL KOSTUROS SWORN BEFORE ME

ON THIS 13TH DAY OF JUNE, 2018

Wesley A. Morris

A Notary Public in and for the State of Delaware



administrative expense priority to Intercompany Transactions, all as more fully described in the Motion; and the Court having jurisdiction to consider the matters raised in the Motion pursuant to 28 U.S.C. § 1334, and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*, dated February 29, 2012; and the Court having authority to hear the matters raised in the Motion pursuant to 28 U.S.C. § 157; and the Court having venue pursuant to 28 U.S.C. §§ 1408 and 1409; and consideration of the Motion and the requested relief being a core proceeding that the Court can determine pursuant to 28 U.S.C. § 157(b)(2); and due and proper notice of the Motion and opportunity for a hearing on the Motion having been given to the parties listed therein, and it appearing that no other or further notice need be provided; and the Court having reviewed and considered the Motion and the First Day Declaration; and the Court having found that the relief requested in the Motion is in the best interests of the Debtors, their creditors, their estates and all other parties in interest; and upon the record herein; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The relief requested in the Motion is hereby granted on a final basis, as set forth herein. All objections to the entry of this Final Order, to the extent not withdrawn or settled, are overruled.

2. Except as otherwise provided herein, the Debtors are authorized and empowered to continue to maintain and use their Cash Management System and Bank Accounts consistent with their prepetition practices. For the avoidance of doubt, those certain existing deposit agreements between the Debtors and the Banks shall continue to govern the postpetition cash management relationship between the Debtors and the Banks, and that all of the provisions

of such agreements, including, without limitation, the termination and fee provisions, shall remain in full force and effect.

3. The Debtors are authorized to close existing Bank Accounts or open new Bank Accounts and otherwise implement changes to their Cash Management System in the ordinary course of business pursuant to the terms of those certain existing depository agreements; provided, that in the event that the Debtors open or close any Bank Accounts, the Debtors shall give notice to the U.S. Trustee, Citizens Business Capital, as DIP Agent, and any statutory committees appointed in these Chapter 11 Cases, within 14 days after opening a new Bank account or closing an existing Bank Account; provided further, that the Debtors shall open any such new Bank Account at a Bank that has executed a Uniform Depository Agreement with the U.S. Trustee, or at a Bank willing to immediately execute such an agreement.

4. The Debtors are authorized but not directed to (i) maintain and continue to use their existing Bank Accounts that are listed on Exhibit 1 hereto, in the same manner and with existing account numbers, styles, and document forms as are currently employed and to the extent such Bank Accounts do not comply with the applicable requirements under the U.S. Trustee Guidelines or otherwise, such requirements under the U.S. Trustee Guidelines or otherwise are waived; (ii) deposit funds in, and withdraw funds from, the Bank Accounts by usual means, including check, wire transfer, ACH transfer, draft, electronic fund transfer, centralized lockbox, or other items presented, issued, or drawn on the Bank Accounts; (iii) pay prepetition and ordinary-course Processor Fees for the Vendor Payment Processor; (iv) pay prepetition and ordinary-course Bank Fees for the Bank Accounts; (iv) perform their obligations under the Bank Accounts' governing documents and agreements; and (v) treat the Bank Accounts for all purposes as "debtor in possession" accounts ("**DIP Accounts**").

5. Each Bank is authorized to continue to administer, service, and maintain the Bank Accounts, as they were prepetition, without interruption and in the ordinary course, without further order of this Court, and to receive, process, honor, and pay all checks, drafts, wires, ACH transfers, electronic fund transfers, or other items presented, issued, or drawn on the Bank Accounts (collectively, the “Disbursements”) on account of any claim this Court has granted the Debtors approval to pay, whether arising before, on, or after the Petition Date to the same extent the Debtors were responsible for such items prior to the Petition Date. For the avoidance of doubt, each of the Banks is authorized to debit the Debtor’s Bank Accounts in the ordinary course of business without the need for further order of this Court for: (i) all checks drawn on the Debtor’s Bank Accounts which are cashed at such Bank’s counters or exchanged for cashier’s checks by the payees thereof prior to the Petition Date; and (ii) all checks or other items deposited in one of Debtor’s Bank Accounts with such Bank prior to the Petition Date which have been dishonored or returned unpaid for any reason, together with any fees and costs in connection therewith, to the same extent the Debtor was responsible for such items prior to the Petition Date.

6. All Banks are authorized to accept and honor all representations from the Debtors as to which Disbursements should be honored and shall have no duty to inquire as to whether such payments are authorized by an order of this Court. If any Banks nevertheless dishonor Court-approved Disbursements, the Debtors are authorized to issue replacement Disbursements consistent with the orders of this Court. No Bank will be liable to the Debtors or their estates, or otherwise be in violation of the orders of this Court, for honoring a prepetition Disbursement or other Disbursement at the Debtors’ direction.

7. Except as set forth herein with respect to Intercompany Transactions between Rockport and Rockport Canada, the Debtors are authorized to continue performing Intercompany Transactions arising from or related to the operation of their business in the ordinary course. With respect to Intercompany Transactions as between Rockport and Rockport Canada, the Debtors are authorized to continue the Permitted Rockport Canada Intercompany Transactions.

8. All payments from any authorized postpetition Intercompany Transactions are hereby accorded administrative expense priority under Section 503(b) of the Bankruptcy Code. Each entity using funds that flow through the Cash Management System shall continue to bear the ultimate payment responsibility for those ordinary-course transactions. In connection with the Intercompany Transactions, the Debtors shall maintain records for all transfers of cash so that all transactions (including Intercompany Transactions) can be readily ascertained, traced, recorded properly, and distinguished between prepetition and postpetition transactions, and the Debtors shall make those records available to the U.S. Trustee and shall attach a listing to the Monthly Operating Reports of intercompany transfers made between debtors and non-debtors.

9. The Debtors are authorized to continue using all checks, correspondence, and other business forms, including, but not limited to, purchase orders, multicopy checks, letterhead, envelopes, promotional materials, and other business forms, substantially as they existed immediately before the Petition Date without reference to the Debtors' status as debtors in possession; *provided that* once the Debtors' existing checks have been used, the Debtors will, when reordering checks, ensure that the designation "Debtor in Possession" and the corresponding bankruptcy case number are printed on all checks; *provided further that*, with respect to electronic checks and checks that the Debtors or their agents print themselves, the

Debtors will begin printing the “Debtor in Possession” legend on such items within ten (10) days of the date of entry of this Order.

10. The Debtors shall have 30 days from the Petition Date (the “**Extension Period**”) within which to comply with Section 345(b) of the Bankruptcy Code or to make arrangements to which the U.S. Trustee agrees, and such extension is without prejudice to the Debtors’ right to request a further extension of the Extension Period or suspension of the requirements of Section 345(b) of the Bankruptcy Code in these cases. For Banks that have signed a Uniform Depository Agreement with the U.S. Trustee, all Bank Accounts with such Banks are deemed to satisfy Section 345(b) of the Bankruptcy Code.

11. Notwithstanding the Debtors’ use of a consolidated Cash Management System, the Debtors shall calculate quarterly fees under 28 U.S.C. § 1930(a)(6) based on the disbursements of each Debtor, regardless of who pays those disbursements.

12. The requirements set forth in Bankruptcy Rule 6004(a) are hereby waived.

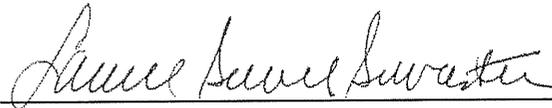
13. Notwithstanding Bankruptcy Rule 6004(h), to the extent applicable, this Final Order shall be effective and enforceable immediately upon entry hereof.

14. Nothing in this Final Order or the Motion shall be deemed to constitute the assumption or adoption of any agreement under Section 365 of the Bankruptcy Code.

15. 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 Final Order.

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

Dated: June 12, 2018
Wilmington, Delaware



THE HONORABLE LAURIE SELBER SILVERSTEIN
UNITED STATES BANKRUPTCY JUDGE

Exhibit 1**Bank Accounts**

Debtor	Bank	Bank Address	Last Four Digits of Bank Account No.	Purpose of Funds
The Rockport Company, LLC	Citizens Bank	20 Cabot Road Medford, MA 02155	1329	Operating Account
The Rockport Company, LLC	Citizens Bank	20 Cabot Road Medford, MA 02155	1398	Payroll Account
The Rockport Company, LLC	Citizens Bank	20 Cabot Road Medford, MA 02155	1533	Inactive
The Rockport Company, LLC	Citizens Bank	20 Cabot Road Medford, MA 02155	2499	Note Funding Account
The Rockport Company, LLC	Bank of America	100 Federal Street Boston, MA 02110	5178	Wholesale Lockbox Account
The Rockport Company, LLC	Citizens Bank	20 Cabot Road Medford, MA 02155	5425	Controlled Disbursement Account
The Rockport Company, LLC	HSBC Bank N.A.	99 High Street, Floor 29 Boston, MA 02110	5548	Retail Cash Account
The Rockport Company, LLC	HSBC Bank N.A.	99 High Street, Floor 29 Boston, MA 02110	5556	Inactive
The Rockport Company, LLC	HSBC Bank N.A.	99 High Street, Floor 29 Boston, MA 02110	6234	Distributor Payment Account
The Rockport Company, LLC	Bank of America	100 Federal Street Boston, MA 02110	8051	Primary Collections Account
The Rockport Company, LLC	Bank of America	100 Federal Street Boston, MA 02110	8917	Main Disbursement Account
Rockport Canada ULC	HSBC Bank Canada	70 York Street, 5 th Floor, Toronto, ON M5J 1S9	4001	Canadian Operating Account
Rockport Canada ULC	HSBC Bank Canada	70 York Street, 5 th Floor, Toronto, ON M5J 1S9	4002	Inactive
Rockport Canada ULC	HSBC Bank Canada	70 York Street, 5 th Floor, Toronto, ON M5J 1S9	4070	USD Disbursement Account

Debtor	Bank	Bank Address	Last Four Digits of Bank Account No.	Purpose of Funds
Rockport Canada ULC	HSBC Bank Canada	70 York Street, 5 th Floor, Toronto, ON M5J 1S9	246C	Canadian Lockbox Account

Tab Q

THIS IS EXHIBIT "Q" TO THE AFFIDAVIT
OF PAUL KOSTUROS SWORN BEFORE ME

ON THIS 13TH DAY OF JUNE, 2018

Lesley A. Morris

A Notary Public in and for the State of Delaware



CANADIAN LANDLORD AGREEMENT

**TO: ALL CANADIAN LANDLORDS OF ROCKPORT CANADA ULC, AS LISTED ON SCHEDULE
"A" HERETO**

RE: Rockport Canada ULC – Store Closing Sale Guidelines

WHEREAS The Rockport Company, LLC and certain of its affiliates (including the undersigned, Rockport Canada ULC (the "**Debtor**")), are debtors and debtors in possession in proceedings before the United States Bankruptcy Court for the District of Delaware (the "**Court**") under Chapter 11 of the United States Bankruptcy Code;

AND WHEREAS on June 5, 2018, the Court granted an ORDER (I) AUTHORIZING THE DEBTORS TO (A) CONDUCT STORE CLOSING SALES AT THEIR NORTH AMERICAN RETAIL LOCATIONS AND (B) PAY STORE CLOSING BONUSES TO EMPLOYEES AT THE CLOSING STORES AND (II) GRANTING RELATED RELIEF (the "**Liquidation Order**"), attaching the store closing sale guidelines as exhibit 1 thereto (the "**Store Closing Sale Guidelines**");

AND WHEREAS both the Liquidation Order and the Store Closing Sale Guidelines appended thereto permit the Debtor to enter into an agreement with landlords, modifying the Store Closing Sale Guidelines;

AND WHEREAS certain of the Debtor's Canadian landlords, as more particularly set out at Schedule "A" hereto (the "**Participating Canadian Landlords**"), have requested modifications to the Store Closing Sale Guidelines to accord with established practices governing such sales in Canadian insolvency and restructuring proceedings, and the Debtor has agreed to same;

NOW THEREFORE the undersigned hereby confirms its agreement to the following modifications to the Store Closing Sale Guidelines, each solely with respect to the Closing Stores of the Participating Canadian Landlords:

- (a) All terms not otherwise defined herein shall have the meanings ascribed thereto in the MOTION FOR DEBTORS FOR ENTRY OF AN ORDER (I) AUTHORIZING THE DEBTORS TO (A) CONDUCT STORE CLOSING SALES AT THEIR NORTH AMERICAN RETAIL LOCATIONS AND (B) PAY STORE CLOSING BONUSES TO EMPLOYEES AT THE CLOSING STORES AND (II) GRANTING RELATED RELIEF (the "**Store Closing Motion**") or the Store Closing Sale Guidelines, as applicable.
- (b) Except as otherwise expressly set out in the Liquidation Order or the Store Closing Sale Guidelines, the Store Closing Sales shall be conducted in accordance with the terms of the applicable leases or other occupancy agreements to which the affected Participating Canadian Landlords are privy for each of the affected Closing Stores.
- (c) The Debtor shall not modify the business hours during which the Store Closing Sales are conducted, such that the Closing Stores remain open during normal hours of operation provided for in its respective leases until such time as the Store Closing Sales are concluded and the leases in question rejected and such rejection has become effective.
- (d) The Store Closing Sales shall be conducted in accordance with applicable federal, provincial, and municipal laws and regulations, unless otherwise expressly set out in the Liquidation

Order and such Liquidation Order has been recognized and given effect in Canada by the Ontario Superior Court of Justice (Commercial List).

- (e) The Debtor shall provide forthwith by email or facsimile the proposed signage package to the Participating Canadian Landlords or their counsel of record forthwith, along with the proposed dimensions and number of signs. Signage shall not include use of the word "liquidation". Neon or day-glow or handwritten signage will not be used, unless otherwise included in the signage package. The Debtor shall not use any giant balloons, flashing lights or amplified sound to advertise the Store Closing Sales or solicit customers, except as permitted under the applicable lease.
- (f) Exterior banners / signs shall be permitted only at stand-alone or strip mall Closing Stores or enclosed mall Closing Stores having a separate entrance from the exterior of the enclosed mall; provided, however, that where such banners are not explicitly permitted by the applicable lease and the Participating Canadian Landlord requests in writing that the banners are not to be used, no banners shall be used. Any banners used shall be located or hung so as to make clear that the Store Closing Sale is being conducted only at the affected Closing Store and shall not be wider than the affected Closing Store premises. No commercial trucks shall be used on shopping mall premises to advertise the Store Closing Sales.
- (g) At the conclusion of the Store Closing Sales, the Debtor shall arrange that the premises for each Closing Store of a Participating Canadian Landlord shall be in "broom-swept" and clean condition, and shall arrange that such Closing Stores are in the same condition as on the commencement of the Store Closing Sales, ordinary wear and tear excepted. For greater certainty, nothing herein limits the Debtor's right to abandon Remaining Property in accordance with the Liquidation Order and the Store Closing Sale Guidelines.
- (h) No property of a Participating Canadian Landlord shall be removed or sold during the Store Closing Sales, and no permanent FF&E (other than FF&E owned by the Debtor) may be removed or sold without the applicable Participating Canadian Landlord's written consent unless otherwise provided under the applicable lease. The Debtor shall forthwith contact each Participating Canadian Landlord to arrange a walk-through of the premises of each Closing Store to identify the FF&E subject to the Store Closing Sales. Each Participating Canadian Landlord shall be entitled to have a representative present in the Closing Store to observe the removal of any FF&E. If a Participating Canadian Landlord disputes the Debtor's entitlement to sell or remove any FF&E under the provisions of the lease, such FF&E shall remain on the premises and shall be dealt with as agreed between the Debtor and such Participating Canadian Landlord, or by further Order of the Court, upon at least two (2) days' notice to such Participating Canadian Landlord (provided further that if the Debtor has rejected the lease and such rejection has become effective, it shall not be required to pay rent under such lease pending resolution of any such dispute and the rejection of the lease shall be without prejudice to the Debtor's claim to the FF&E in dispute).
- (i) If a lease is rejected by the Debtor while the Store Closing Sale is ongoing and the Closing Store in question has not yet been vacated, then: (a) during this time, the applicable Participating Canadian Landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Debtor 24 hours' prior written notice; and (b) at the effective time of the lease rejection, the Participating Canadian Landlord shall

be entitled to take possession of any such Closing Store without waiver of or prejudice to any claims or rights it may have against the Debtor in respect of such lease or Closing Store, provided that nothing herein shall relieve such Landlord of its obligation to mitigate any damages claimed in connection therewith.

- (j) Nothing herein, or in the Liquidation Order or Store Closing Sale Guidelines is or shall be deemed to be a consent by any Participating Canadian Landlord to the sale, assignment or transfer of any lease.

DATED as of this 13th day of June, 2018.

ROCKPORT CANADA ULC

by:  _____

Name: Karla L. Jarvis

Title: Secretary

I have the authority to bind the corporation.

SCHEDULE "A"

1. Riocan Management, Inc.
2. T.E.C Leaseholds Limited
3. Le Carrefour Laval Leaseholds Inc.
4. Halton Hills Shopping Centre Partnership
5. Ontrea, Inc.
6. Place Vertu Holdings, Inc.
7. Templeton Doc Limited Partnership
8. Ivanhoe Cambridge II, Inc.
9. Ivanhoe Cambridge, Inc.
10. HCR LP (Ontario), Inc.
11. Sunlife Assurance Company of Canada and St. Jacobs Countryside, Inc.
12. Market Mall Leaseholds, Inc.
13. OPB Realty, Inc.
14. Oshawa Centre Holdings, Inc.
15. West Edmonton Mall Property, Inc.
16. Bayshore Shopping Centre Limited
17. Oxford Properties Retail Holdings, Inc. and Oxford Properties Retail Holdings II Inc.
18. Pacific Centre Leaseholds Limited
19. Yorkdale Shopping Centre Holdings, Inc.
20. Scarborough Town Centre Holdings, Inc.
21. The Outlet Collection (Niagara) Limited
22. Mirabel Outlet Centre General Partnership
23. JLA Factory Outlet Holdings Limited
24. KCAP Kingston Inc.
25. Stamper, Inc.
26. GPM Managed Investments, Inc.
27. Cameron Corporation & Grosvenor Canada Limited
28. Montez Hillcrest, Inc. and Hillcrest Holdings, Inc.
29. IC SPG POC At Edmonton LP
30. Seasons Retail Corp; The Outlet Collection at Winnipeg
31. Desjardins Financial Security Life Assurance Company

Tab 3

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE) THURSDAY THE 14TH
)
JUSTICE MCEWEN) DAY OF JUNE, 2018

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF ROCKPORT BLOCKER, LLC, THE ROCKPORT GROUP
HOLDINGS, LLC, TRG 1-P HOLDINGS, LLC, TRG INTERMEDIATE HOLDINGS,
LLC, TRG CLASS D, LLC, THE ROCKPORT GROUP, LLC, THE ROCKPORT
COMPANY, LLC, DRYDOCK FOOTWEAR, LLC, DD MANAGEMENT SERVICES
LLC AND ROCKPORT CANADA ULC (THE "DEBTORS")**

**APPLICATION OF ROCKPORT BLOCKER, LLC, UNDER SECTION 46 OF THE
COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED**

ORDER

THIS MOTION, made by Rockport Blocker, LLC ("**Rockport Blocker**"), in its capacity as the foreign representative (the "**Foreign Representative**") of the Debtors, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an Order substantially in the form enclosed in the Motion Record was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Paul Kosturos sworn June 13, 2018 and the exhibits thereto (the "**Second Kosturos Affidavit**"), the first report of Richter Advisory Group Inc. ("**Richter**") in its capacity as the Court-appointed information officer (the "**Information Officer**") dated June 13, 2018 (the "**First Report**"), and on hearing the submissions of counsel

for the Debtors, counsel for the Information Officer, counsel for Citizens Business Capital, in its capacity as Administrative Agent and Collateral Agent for the lenders under the Senior Secured Super-Priority Debtor-in-Possession Revolving Credit Agreement, counsel for the Senior Secured Noteholders and DIP Note Lenders, counsel for The Cadillac Fairview Corporation Limited, counsel for Cushman & Wakefield Asset Services Inc., Ivanhoe Cambridge Inc., RioCan Real Estate Investment Trust, counsel for Montez Hillcrest Inc., Hillcrest Holdings Inc., Scarborough Town Centre Holdings Inc., Oxford Properties Retail Holdings Inc., Oxford Properties Retail Holdings II Inc. and Yorkdale Shopping Centre Holdings Inc., and upon no one appearing for any other parties although duly served as appears from the Affidavit of Service of Evita Ferreira sworn June 13, 2018, filed,

SERVICE

1. **THIS COURT ORDERS** that the time for service and filing of the Notice of Motion and the Motion Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

RECOGNITION OF FOREIGN ORDERS

2. **THIS COURT ORDERS** that any capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Second Kosturos Affidavit.

3. **THIS COURT ORDERS** that the following orders of the United States Bankruptcy Court for the District of Delaware (the “**US Court**”) made in the insolvency proceedings of the Debtors under Chapter 11 of Title 11 of the United States Bankruptcy Code are hereby recognized and

given full force and effect in all provinces and territories of Canada pursuant to Section 49 of the CCAA:

- a. an order, *inter alia*, (i) approving the bidding procedures, attached as Exhibit 1 to the Bidding Procedures Order, pursuant to which the Debtors will solicit and select the highest or otherwise best offer for the sale (the “**Sale**”) of all or substantially all of the Debtors’ assets, (ii) approving the Stalking Horse Protections (as defined in the Bidding Procedures Order) provided by the Debtors to CB Marathon Opco, LLC, an affiliate of Charlesbank Equity Fund IX, Limited Partnership, (iii) scheduling an auction, if necessary, (iv) authorizing and approving the Sale Notice, substantially in the form attached to the Bidding Procedures Order as Exhibit 2 thereto, and the Potential Assumption and Assignment Notice, substantially in the form attached to the Bidding Procedures Order as Exhibit 3 thereto, (v) approving the amendments to Sections 4.4(i) and 4.6(a) of the Stalking Horse Agreement, substantially in the form attached to the Bidding Procedures Order as Exhibit 4 thereto, to address the unsecured creditors’ committee’s objection to the Stalking Horse Protections (as defined in the Bidding Procedures Order), (vi) authorizing and approving procedures for the assumption and assignment of the Contracts and Leases and the determination of Cure Costs with respect thereto, (vii) scheduling a hearing to approve the Sale, and (viii) granting related relief (the “**Bidding Procedures Order**”);

- b. an order, *inter alia*, (i) authorizing, but not directing, the Debtors to (a) conduct store closing sales (the “**Store Closing Sales**”) at the Debtors’ retail stores in the United States and Canada (collectively, the “**Closing Stores**”) in accordance with the terms of the store closing sale guidelines attached as Exhibit 1 to the Store Closing Sales

- Order, and (b) pay retention and shrink bonuses to non-insider retail employees at the Closing Stores who remain employed for the duration of the Store Closing Sales, and (ii) granting certain related relief (the “**Store Closing Sales Order**”);
- c. an order, among other things, authorizing, but not directing, the Debtors to retain and pay professionals utilized in the ordinary course of business, including, but not limited to those set forth on Exhibit 1, attached to the Ordinary Course Professionals Order, as of the Filing Date or the applicable date of engagement, in accordance with the procedures proposed therein (the “**Ordinary Course Professionals Order**”);
- d. an order, among other things, authorizing the Debtors to employ and retain Prime Clerk LLC as administrative advisor in the US Proceedings, *nunc pro tunc*, to the Filing Date (the “**Administrative Advisor Order**”);
- e. an order, among other things, (i) authorizing the Debtors to retain Alvarez & Marsal North America, LLC together with employees of its professional service provider affiliates (all of which are wholly-owned by its parent company and employees) and its wholly-owned subsidiaries (collectively, “**A&M and Affiliates**”) pursuant to the terms of that certain letter agreement between A&M and Affiliates and the Debtors, dated March 1, 2018 (replacing the prior engagement letter dated as of October 10, 2017) to provide the Debtors with an interim chief financial officer (“**Interim CFO**”), interim chief operating officer (the “**Interim COO**”) and additional employees of A&M and Affiliates (the “**Additional Personnel**”, and together with the Interim CFO and Interim COO, the “**Engagement Personnel**”), as needed to assist the Interim CFO and Interim COO, (ii) designating Paul Kosturos as Interim

CFO and Josh Jacobs as Interim COO to the Debtors effective *nunc pro tunc* as of the Filing Date, and (iii) granting certain related relief (the “**A&M Retention Order**”);

- f. an order, among other things, (i) authorizing the retention and employment of HYPERAMS, LLC as the Debtors’ liquidation consultant *nunc pro tunc* to May 25, 2018, and (ii) modifying certain reporting requirements under the Local Rules (the “**Consultant Retention Order**”);
- g. a final order (i) authorizing, but not directing, the Rockport Group, in their sole discretion, to pay (a) all or a portion of the shipping and warehousing claims and (b) certain import charges; and (ii) authorizing applicable banks and other financial institutions to receive, process, honour and pay any and all cheques drawn on the Debtors’ general disbursement account and other transfers, to the extent such cheques and transfers relate to any of the foregoing (the “**Final Shippers and Warehousemen Order**”);
- h. a final order (i) authorizing, but not directing, the Rockport Group to pay prepetition obligations of certain (a) critical vendors, up to US\$2,000,000; and (b) foreign vendors up to US\$20 million; and (ii) authorizing applicable banks and financial institutions to receive, process, honor and pay any and all cheques drawn on the Rockport Group’s general disbursement account and other transfers, to the extent these cheques and transfers relate to any of the foregoing (the “**Final Critical and Foreign Vendors Order**”);

- i. a final order (i) authorizing, but not directing, the Rockport Group, in their sole discretion, to pay Covered Taxes and Fees (as defined in the First Day Declaration), whether asserted prior to, on or after the commencement of the Chapter 11 cases; and (ii) authorizing and directing applicable banks and financial institutions to receive, process, honor and pay any and all cheques drawn on the Rockport Group's general disbursement account and other transfers to the extent these cheques and transfers relate to any of the foregoing (the "**Final Taxes Order**");
- j. a final order (i) authorizing the Rockport Group to continue and renew their (a) Insurance Programs (as defined in the First Day Declaration), including Premium Financing (as defined in the First Day Declaration), and (b) Surety Bond Program (as defined in the First Day Declaration) and honor all obligations under the Insurance and Surety Bond Programs; (ii) modifying the automatic stay imposed by Section 362 of the Bankruptcy Code to the extent necessary to permit the Rockport Group's employees to proceed with any claims they may have under the Workers' Compensation Program (as defined in the First Day Declaration); and (iii) authorizing financial institutions to honor and process related cheques and transfers (the "**Final Insurance Order**");
- k. a final order authorizing the Rockport Group to pay pre-Petition wages, compensation, employee benefits and claims of independent contractors (the "**Final Wages Order**");
- l. a final order, with respect to utilities providers, (i) prohibiting the Rockport Group's utility service providers from altering or discontinuing service; (ii) approving an

adequate assurance deposit as adequate assurance of post-Petition payment to the utilities; and (iii) establishing procedures for resolving any subsequent requests by the utilities for additional adequate assurance of payment (the “**Final Utilities Order**”); and

- m. a final order authorizing, but not directing, the Rockport Group to maintain their existing bank accounts, cash management system and authorizing the continuation of (and administrative expense priority status of) intercompany transactions, subject to certain limitations set out therein (the “**Final Cash Management Order**”, together with the aforementioned orders, the “**Second Day and Other US Orders**”);

provided, however, that in the event of any conflict between the terms of the Second Day and Other US Orders and the Orders of this Court made in these proceedings, the Orders of this Court shall govern with respect to the Property (as defined in the Supplemental Order (Foreign Main Proceeding) of this Court made in these proceedings on May 16, 2018) in Canada. Copies of the Second Day and Other US Orders are attached as Exhibits D to P of the Second Kosturos Affidavit.

GENERAL

4. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Foreign Representative, the Debtors, the Information Officer and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Foreign Representative, the Debtors, the Information Officer, as

an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Foreign Representative, the Debtors, the Information Officer and their respective agents in carrying out the terms of this Order.

5. **THIS COURT ORDERS** that each of the Foreign Representative, the Debtors and the Information Officer be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF ROCKPORT BLOCKER, LLC, THE ROCKPORT GROUP HOLDINGS, LLC, TRG 1-P HOLDINGS, LLC, TRG
INTERMEDIATE HOLDINGS, LLC, TRG CLASS D, LLC, THE ROCKPORT GROUP, LLC, THE ROCKPORT COMPANY, LLC, DRYDOCK
FOOTWEAR, LLC, DD MANAGEMENT SERVICES LLC AND ROCKPORT CANADA ULC (THE "DEBTORS")**

**APPLICATION OF ROCKPORT BLOCKER, LLC, UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985,
c. C-36, AS AMENDED**

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
PROCEEDINGS COMMENCED AT TORONTO**

**ORDER
(June 14, 2018)**

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Holdings, LLC, TRG Class D, LLC, The Rockport Group, LLC,
The Rockport Company, LLC, Drydock Footwear, LLC, DD
Management Services LLC and Rockport Canada ULC

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF ROCKPORT BLOCKER, LLC, THE ROCKPORT GROUP HOLDINGS, LLC, TRG 1-P HOLDINGS, LLC, TRG INTERMEDIATE HOLDINGS, LLC, TRG CLASS D, LLC, THE ROCKPORT GROUP, LLC, THE ROCKPORT COMPANY, LLC, DRYDOCK FOOTWEAR, LLC, DD MANAGEMENT SERVICES LLC AND ROCKPORT CANADA ULC (THE "DEBTORS")

APPLICATION OF ROCKPORT BLOCKER, LLC, UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
PROCEEDINGS COMMENCED AT TORONTO

MOTION RECORD
(Returnable June 14, 2018)

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