

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

In re:

HOBBICO, INC., *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 18-10055 (KG)

Jointly Administered

**NOTICE OF POTENTIAL  
ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY  
CONTRACTS AND UNEXPIRED LEASES AND PROPOSED CURE AMOUNTS**

**PLEASE BE ADVISED** that on January 10, 2018 Hobbico, Inc. (the “Company”) and certain of its subsidiaries (collectively with the Company, the “Debtors” or “Sellers”) filed for relief before the United States Bankruptcy Court for the District of Delaware (the “Court”). The Court presides over the Sellers’ jointly administered chapter 11 bankruptcy cases (the “Chapter 11 Cases”) captioned *In re Hobbico Inc. et al.*, Ch. 11 Case No. 18-10055 (KG) (Bankr. D. Del. Jan. 10, 2018).

**PLEASE BE ADVISED** that on February 26, 2018 the Sellers filed with the Court the *Motion for (I) an Order (A) Establishing Bidding Procedures for the Sale of All, or Substantially All, of the Debtors’ Assets; (B) Approving Potential Bid Protections; (C) Establishing Procedures Relating to the Assumption and Assignment of Executory Contracts and Unexpired Leases; (D) Approving Form and Manner of the Sale, Cure and Other Notices; and (E) Scheduling an Auction and as Hearing to Consider the Approval of the Sale; (II) an Order (A) Approving the Sale of the Debtors’ Assets Free and Clear of Claims, Liens and Encumbrances; and (B) Approving the Assumption and Assignment of Executory Contracts and Unexpired Leases; and (III) Certain Related Relief* (the “Sale Motion”).<sup>2</sup> By the Sale Motion, the Sellers seek, *inter alia*, to conduct a sale (the “Sale”) by auction (the “Auction”) of all or substantially all of their assets (the “Assets”) and to assume and assign certain executory contracts and unexpired leases (the “Designated Contracts”) to the successful bidder(s) for such Assets (a “Purchaser”).

**PLEASE BE FURTHER ADVISED** that a copy of the Sale Motion, the proposed auction and bidding procedures (as the same may be amended, supplemented, or otherwise modified from time to time, the “Bidding Procedures”), and the proposed order approving the Bidding Procedures (as the same may be amended, supplemented, or otherwise modified from time to time,

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Hobbico, Inc. (9545); Arrma Durango Ltd; Axial R/C Inc. (0233); Estes-Cox Corp. (2196); Great Planes Model Manufacturing, Inc. (5259); Revell Inc. (8545); Tower Hobbies, Inc. (5185); and United Model, Inc. (5302). The Debtors’ headquarters are located at 2904 Research Road, Champaign, Illinois 61822.

<sup>2</sup> Capitalized terms used herein but not otherwise defined in this notice (the “Notice”) shall have the meanings ascribed to them in the Sale Motion.

the “Bidding Procedures Order”) can be obtained free of charge at <http://www.jndla.com/cases/hobbico>.

**PLEASE BE FURTHER ADVISED** that a hearing to approve the Sale (the “Sale Hearing”), including the assumption and assignment of certain Designated Contracts, will be held on **March 28, 2018 at 10:00 a.m. (prevailing Eastern Time)**, before the Court.

**PLEASE BE FURTHER ADVISED** that pursuant to the Sale Motion, the Sellers may assume and assign the contract(s) identified on Exhibit A (the “Subject Contract(s)”) to a Purchaser.<sup>3</sup> The cure amount (the “Cure Amount”), if any, the Sellers believe is required to satisfy all amounts and obligations due and owing under each Subject Contract, including any monetary defaults and compensation for pecuniary losses, is listed on Exhibit A (the “Cure Schedule”).

**PLEASE BE FURTHER ADVISED** that, upon entry of the Bidding Procedures Order, the deadline to file any objections to the assumption and assignment of the Subject Contract(s) and the Cure Amount(s) for such Subject Contract(s) (together, “Contract Objections”) will be **March 21, 2018 at 4:00 p.m. (prevailing Eastern Time)** (the “Contract Objection Deadline”).

**PLEASE BE FURTHER ADVISED** that Contract Objections, if any, must be filed with the Court at 824 Market St. N, 3rd Floor, Wilmington, Delaware 19801, and served so as to be actually received by the objection deadline by: **The Sellers**, 2904 Research Road, Champaign, Illinois 61822, Attention: Tom O’Donoghue ([tom.odonoghue@cr3partners.com](mailto:tom.odonoghue@cr3partners.com)); **Counsel to the Sellers**, Neal Gerber & Eisenberg, LLP, 2 N. LaSalle Street, Suite 1700, Chicago, Illinois 60602, Attention: Nicholas M. Miller ([nmiller@nge.com](mailto:nmiller@nge.com)), Mark A. Berkoff ([mberkoff@nge.com](mailto:mberkoff@nge.com)), and Bruce A. Fox ([bfox@nge.com](mailto:bfox@nge.com)); and Morris, Nichols, Arsht & Tunnell LLP, 1201 N. Market Street, 16th Floor, Wilmington, Delaware 19899, Attention: Curtis Miller ([cmiller@MNAT.com](mailto:cmiller@MNAT.com)) and Robert J. Dehney ([rdehney@MNAT.com](mailto:rdehney@MNAT.com)); **Financial advisor to the Sellers**, Lincoln Partners Advisors LLC, 633 West Fifth Street, Suite 6650, Los Angeles, California 90071, Attention: Alexander W. Stevenson ([AStevenson@lincolninternational.com](mailto:AStevenson@lincolninternational.com)) and Sherman Guillema ([SGuillema@lincolninternational.com](mailto:SGuillema@lincolninternational.com)); **Counsel to Wells Fargo Bank, National Association, in its capacity as Prepetition Agent and Postpetition Agent for the Prepetition Lenders and the Postpetition Lenders, respectively** (the “Agent”), Goldberg Kohn Ltd., 55 East Monroe Street, Suite 3300, Chicago, Illinois 60603, Attention: Randall L. Klein ([randall.klein@goldbergkohn.com](mailto:randall.klein@goldbergkohn.com)) and Zachary J. Garrett ([zachary.garrett@goldbergkohn.com](mailto:zachary.garrett@goldbergkohn.com)) and Burr & Forman LLP, 1201 Market Street, Suite 1407, Wilmington, Delaware 19801, Attention: J. Cory Falgowski ([jfalgowski@burr.com](mailto:jfalgowski@burr.com)); **Financial advisor to the Agent**, Focus Management Group USA, Inc., 5001 West Lemon Street, Tampa, Florida 33609, Attention: Robert O. Riiska ([r.riiska@focusmg.com](mailto:r.riiska@focusmg.com)) and Samuel M. Williams ([s.williams@focusmg.com](mailto:s.williams@focusmg.com)); **counsel to the Official Committee of Unsecured Creditors** (the “Committee”), Cullen and Dykman LLP, The Legal Center, One Riverfront Plaza, Newark, NJ 07102, Attention: S. Jason Teele ([steale@cullenanddykman.com](mailto:steale@cullenanddykman.com)), and Whiteford Taylor Preston LLC, The Renaissance

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<sup>3</sup> The Sellers may modify the list of Designated Contracts that will be assumed and assigned in connection with the Sale. In addition, the inclusion of any contract or agreement on Exhibit A shall not constitute an admission by the Sellers that any such Subject Contract is an executory contract or unexpired lease within the meaning of section 365 of the Bankruptcy Code and the Sellers reserve all rights with respect thereto. The Debtors also reserve all their rights, claims and causes of action with respect to each of the Designated Contracts.

Center, Suite 500, 405 North King Street, Wilmington, Delaware 19801, Attention: Christopher M. Samis ([CSamis@wtplaw.com](mailto:CSamis@wtplaw.com)); and **financial advisor to the Committee**, Emerald Capital Advisors, 70 E. 55th Street, 17th Floor, New York, NY 10022, Attention: John P. Madden ([jpm@emeraldcapitaladvisors.com](mailto:jpm@emeraldcapitaladvisors.com)).

**PLEASE BE FURTHER ADVISED** that any Contract Objection must state (i) the basis for the objection and (ii) with specificity, what Cure Amount(s) the party to the Subject Contract(s) believes is required (in all cases with appropriate documentation in support thereof).

**PLEASE BE FURTHER ADVISED** that (a) any objection solely to the Cure Amount(s) may not prevent or delay the Sellers' assumption and assignment of the Subject Contract(s) to the Purchaser, (b) if a contract counterparty (a "Contract Counterparty") objects solely to Cure Amount(s), the Sellers may, with the consent of the Purchaser, hold the claimed Cure Amount(s) in reserve pending further order of the Court or mutual agreement of the parties, (c) so long as Cure Amount(s) are held in reserve, and there are no other unresolved objections to assumption and assignment of the applicable Subject Contract(s), the Sellers may, without further delay, assume and assign such Subject Contract(s) to the Purchaser, and (d) under such circumstances, the objecting Contract Counterparty's recourse would be limited to the funds held in reserve.

**PLEASE BE FURTHER ADVISED** that any objections to the adequate assurance of future performance by any potential Purchaser must be filed with the Court and served on the Notice Parties and the applicable Purchaser so that such objection is received on or before **12:00 p.m. (prevailing Eastern Time)**, the day before the Sale Hearing (the "Adequate Assurance Objection Deadline").

**PLEASE BE FURTHER ADVISED** that unless a Contract Objection or an objection to adequate assurance of future performance, as applicable, is filed and served by a Contract Counterparty by the Cure Objection Deadline or the Adequate Assurance Objection Deadline, as applicable, such Contract Counterparty shall be (i) deemed to have waived and released any right to assert a Cure Objection and to have otherwise consented to the assignment of such Subject Contract, (ii) forever barred from objecting to the assumption and assignment of such Subject Contract or the failure of the Purchaser to provide adequate assurance of future performance and (iii) forever barred and estopped from asserting or claiming any Cure Amount, other than the Cure Amount listed on the Cure Schedule.

**PLEASE BE FURTHER ADVISED** that the hearings with respect to Contract Objection(s) or objection(s) to the adequate assurance of future performance may be held (a) at the Sale Hearing, or (b) at such other date as the Court may designate.

**PLEASE BE FURTHER ADVISED** that the dates and times referenced in this Notice may change without any further notice to you.

**PLEASE BE FURTHER ADVISED** that updated information regarding the status of the Sale, the Bidding Procedures, the Designated Contracts, the proposed Purchaser(s), the Contract Objection Deadline, the Adequate Assurance Objection Deadline, and the Sale Hearing is available

free of charge (i) at <http://www.jndla.com/cases/hobbico> or (ii) by contacting counsel to the Sellers at the addresses referenced above.

Dated: March 9, 2018  
Wilmington, Delaware

MORRIS, NICHOLS, ARSHT & TUNNELL LLP

/s/ Curtis Miller

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- and -

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