

SO ORDERED.



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Dated: July 06, 2009

A handwritten signature in black ink, appearing to read "Redfield T. Baum, Sr.", written over a horizontal line.

REDFIELD T. BAUM, SR
U.S. Bankruptcy Judge

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Counsel to the Debtors-In-Possession

Contracts and Assign Executory Contracts	July 30, 2009
Objections to Sale due	July 31, 2009
Responses to Objections due	August 3, 2009
Auction Date & Glendale Sale Hearing	August 5, 2009 (9:00 a.m.)

2. If the Acquired Business (as defined below) is not approved for sale at the Glendale Sale Hearing, the alternative Bid Procedures for a sale of the Debtors' assets to be relocated to a venue other than Glendale, Arizona ("Relocation Sale") are approved and shall go forward in accordance with the following schedule of key dates:

Summary of Alternative Key Dates for Relocation Sale

Deadline to Submit Transfer and Relocation Applications	August 7, 2009
Qualified Relocation Bid Deadline (Definitive Agreement due)	August 24, 2009
Notice of Relocation Auction and Motion to Assume and Assign Executory Contracts	August 24, 2009
Objections to Relocation Sale and NHL Response to Transfer and Relocation Applications and position on Relocation Fee due	September 2, 2009
Responses to Objections due	September 4, 2009
Auction Date & Relocation Sale Hearing	September 10, 2009 (9:00 a.m.)

3. The "Acquired Business" consists of the assets necessary to operate the Phoenix Coyotes Hockey Club (the "Team") as an NHL franchise in the Team's current Home Territory (as defined in the NHL Constitution) or as relocated for a Relocation Sale, including, but not limited to, the following "Assigned Assets":

- (a) Substantially all of the assets of Coyotes Hockey, LLC;
- (b) Substantially all of the assets of Arena Management Group, LLC (for the Glendale Sale); and
- (c) Certain executory contracts and unexpired leases of Coyotes Hockey, LLC and Arena Management Group, LLC (as determined by the Bidder).

I. Application Submissions and Due Diligence.

A. Submission of Background Information

4. Commencing immediately, any person or entity that is potentially interested in becoming a potential purchaser of the Acquired Assets (a "Potential Bidder") shall notify the Debtors and the NHL and shall submit to the NHL the following information:

5. On or before June 26, 2009 (the "NHL Application Date"), a Potential Bidder for the Glendale Sale shall submit to the NHL a fully completed and signed NHL Application signed by or on behalf of each other prospective owner of a direct or indirect interest (each, a "Bidder's Sponsor" and, collectively, the "Bidder's Sponsors") in the Team, including, without limitation, each equity holder of the prospective Potential Bidder and each trustee and beneficiary of any trust shall notify the Debtors of such submission, and shall submit to the Debtors (who shall file it with the Court) and the NHL a summary term sheet including a summary of the material terms proposed to be included in the Purchase Agreement (as defined below) (e.g., the Assigned Assets, the liabilities proposed to be assumed, and the purchase price) as well as a description of the capital structure of the Potential Bidder and the source of any proposed financing (the "Summary Term Sheet").

In addition, if not previously executed and delivered, the Potential Bidder shall provide an executed confidentiality agreement substantially in the form annexed hereto as Exhibit B with such changes as are reasonably acceptable to the NHL and Debtors. Because of the highly confidential nature of the information about a Potential Bidder required to be included in the NHL Application, the NHL shall treat such information confidentially in accordance with the NHL's existing practice and, to the extent disclosure of such information is required in connection with the bankruptcy case, the Background Portion shall be deemed to have been filed under seal.

6. In the event that any of the background information contained in the NHL Application with regard to the Potential Bidder or any of its Bidder's Sponsors differs from information previously provided to the NHL, such changes shall be highlighted in the completed NHL Application.

7. The NHL shall review any NHL Application submitted in accordance with its normal procedures as promptly as practicable following receipt by the NHL and shall notify the Debtors that it has commenced such review.

8. Within two business days of submitting the NHL Application to the NHL, a Potential Bidder who is approved for such purpose by either the Debtors or the NHL shall be given access to a data room for purposes of performing due diligence with respect to the Acquired Business; *provided*, that, prior to being allowed access to the data room, such person or entity shall have submitted to the Debtors and the NHL an executed confidentiality agreement substantially in the form annexed hereto as Exhibit B, with such changes as are reasonably acceptable to the Debtors and to the NHL.

9. Upon delivering the completed NHL Application to the NHL and the Summary Term Sheet and executed confidentiality agreement to the Debtors and the NHL, a Potential Bidder shall become an "Acceptable Potential Bidder." The Debtors, after consultation with the NHL, shall immediately notify each such Potential Bidder in writing and provide such Acceptable Potential Bidder with access to (i) the same confidential evaluation materials and information provided by the Debtors to each other Acceptable Potential Bidder and (ii) such other financial information and other data related to the Debtors as the Acceptable Potential Bidder may reasonably request, which requests may include reasonable access to the Debtors' senior management and shall be deemed to include, in any event, the Debtors' good faith estimate of the potential cure costs and rejection damages associated with each material contract and lease subject to assumption in conjunction with the Acquisition.

II. Submission of Bids.

10. Each offer, solicitation or proposal (a "Bid") from an Acceptable Potential Bidder must be in writing and must be received by the Debtors, the NHL and the Notice Parties¹ for the

¹ The "Notice Parties" shall include: (a) the National Hockey League, 1185 Avenue of the Americas, New York, New York 10036, attn: William Daly; (b) Skadden, Arps, Slate, Meagher & Flom LLP, 4 Times Square, New York, New York 10036, attn: J. Gregory Milmo; and Stinson Morrison Hecker LLP, 1850 North Central Avenue, Suite 2100, Phoenix, Arizona 85004, attn: C. Taylor Ashworth, counsel to the NHL; (c) Brown Rudnick LLP, One Financial
(*cont'd*)

Glendale Sale on or before July 24, 2009, at 4:00 p.m. (MST) (the "Bid Deadline"). Each Bid must be accompanied by:

A. Purchase Agreement

11. A fully negotiated form of purchase agreement including all schedules and exhibits duly signed by the Acceptable Potential Bidder with respect to its acquisition of the Acquired Business (the "Purchase Agreement"), which Purchase Agreement shall constitute an irrevocable offer to acquire the Acquired Business. Such irrevocable offer shall remain open until the earlier of (i) the execution by Debtors of a definitive purchase agreement with the Successful Bidder (as defined below) and (ii) five (5) days following the date of the Sale Hearing. The Purchase Agreement shall include as a condition of the Debtors' obligation to consummate the sale of the Acquired Business, approval by the NHL under the Constitution of the NHL (the "NHL Constitution"), the By-Laws of the NHL (the "NHL By-Laws") and all other applicable requirements. The Debtors will make members of senior management and advisors available to discuss the terms of a Purchase Agreement. The Debtors shall provide to each Acceptable Potential Bidder the disclosure schedules to the Acceptable Potential Bidder's Purchase Agreement as soon as they are available following receipt of a draft Purchase Agreement.

B. Good Faith Deposit

12. A good faith deposit, in immediately available funds, letter of credit or other form of security reasonably acceptable to Debtors, in an amount equal to US\$10,000,000.00, which shall be returned to the Acceptable Potential Bidder if such Bidder is determined not to be a Qualified Bidder or the Successful Bidder.

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Center, Boston, Massachusetts 02111, attn: William R. Baldiga, counsel to the City of Glendale; (d) Snell & Wilmer LLP, One Arizona Center, 400 E. Van Buren, Phoenix, AZ 85004-2202 attn: Don Gaffney and to Vinson & Elkins, LLP, 666 Fifth Ave. 26th Floor, New York, NY 10103-0040 attn: Steven M. Abramowitz, counsel to SOF Investments, L.P.; (e) counsel to the Official Committee of Unsecured Creditors (the "Creditors' Committee"); and (f) Squires Sanders & Dempsey, LLP, 40 N. Central Ave. #2700, Phoenix, AZ 85004-4498 attn: Thomas J. Salerno, counsel to Debtors.

III. Determining Qualified Bids and Qualified Bidders.

A. Terms and Conditions of a Qualified Bid.

13. In addition to the requirements for an Acceptable Potential Bidder, in order for a Bid from an Acceptable Potential Bidder to be deemed a "Qualified Bid" and for the Acceptable Potential Bidder to be deemed a "Qualified Bidder", the Bid must satisfy each of the conditions listed below. Promptly after determining that any Acceptable Potential Bidder who has submitted a Bid does not appear to be a Qualified Bidder, the Debtors and the NHL shall notify each other and such Bidder of this determination and in good faith seek to resolve any impediment to the Bidder's becoming a Qualified Bidder.

14. **Financial Capability.** If the Bidder is a newly formed acquisition vehicle, to the extent not previously provided, evidence (in the form of binding commitment letters, guarantees or otherwise) that the Bidder is able to fulfill all obligations in connection with the contemplated transactions.

15. **Legal and Corporate Authority.** A Bid shall contain written evidence of the Bidder's and each Bidder's Sponsors Boards of Directors' (or comparable governing bodies) approval of the contemplated transaction; *provided, however,* that, if the Bidder is an entity specially formed for the purpose of acquiring the Acquired Business, then the Bidder must furnish evidence or other information reasonably acceptable to the Debtors and the NHL of the approval of the contemplated transactions by the Board of Directors (or comparable governing body) of each of the Bidder's Sponsors. A Bid shall also contain the Bidder's plan for compliance with other legal requirements for the purchase, including any necessary compliance with Hart, Scott, Rodino notice requirements as appropriate.

16. **Nature of Bids for Assets.** The Bid must be for all of the Acquired Business, including substantially all of the assets of Coyotes Hockey, LLC and (for the Glendale Sale) Arena Management Group, LLC necessary to conduct the Acquired Business as an NHL team in the Team's current Home Territory (for the Glendale Sale) or the relocated Home Territory (for the Relocation Sale).

17. **NHL Consent.** The Bid and the Purchase Agreement included as part of the Bid must provide (i) that the Bidder, the Bidder's Sponsors, the Purchase Agreement and the transactions contemplated thereby will comply with and be approved under all of the NHL's applicable ownership transfer requirements, including, without limitation, as set forth in Articles 3.5 and 3.6 of the NHL Constitution, By-Law 35 (and for the Relocation Sale, By-Law 36) of the NHL By-Laws, and the applicable Procedural Guidelines (collectively, the "NHL Rules"); (ii) that the Bidder and the Bidder's Sponsors will cooperate with the review process of the NHL including, providing promptly information reasonably requested by the NHL in connection with such review, (iii) that, if successful, the Bidder and the Bidder's Sponsors will execute a standard form of Consent Agreement with the NHL (in substantially the form annexed hereto as Exhibit C) with such changes as are reasonably acceptable to the NHL, (iv) that, if successful, the Bidder and the Bidder's Sponsors will execute a standard form of Guaranty in favor of the NHL (in substantially the form annexed hereto as Exhibit D) with such changes as are reasonably acceptable to the NHL, and (v) that the Bidder will deliver or cause to be delivered, as a condition to closing, any agreements or other documents that the NHL reasonably requires with respect to the financing of the acquisition, including, if applicable, from lenders.

18. **No Break-Up Fee, Etc. for Qualified Bidders.** A Bid for the Glendale Sale may not request any break-up fee, termination fee, expense reimbursement or similar type of payment. Moreover, neither the tendering of a Bid nor the determination that a Bid is a Qualified Bid shall entitle the Acceptable Potential Bidder to any break-up fee, termination fee, expense reimbursement or similar type of payment.

19. **Approval of NHL.** On or before July 30, 2009 for the Glendale Sale (the "NHL Determination Date"), the Acceptable Potential Bidder, the Debtors and the Notice Parties shall have been notified by the NHL that the Acceptable Potential Bidder, its Bidder's Sponsors, the Purchase Agreement and the transactions contemplated thereby have been approved for ownership transfer by the NHL under the NHL Rules. The NHL shall also advise such parties with respect to

any bids received which were not approved for ownership transfer provided that the Bidder does not request otherwise.

B. Qualified Bidders.

20. Only Acceptable Potential Bidders who have satisfied the foregoing requirements and whose applications for the transfer of ownership have been approved by the NHL shall be Qualified Bidders; provided, however, that a determination by the NHL that a Potential Bidder is not a Qualified Bidder may be reviewed by the Court upon request made by the Debtors or the applicable bidder. If only one Qualified Bid is received, it shall be submitted to the Court for approval at the Glendale Sale Hearing (as defined below) unless the Debtors and the NHL determine not to proceed with the sale.

IV. Notice of the Auction.

21. An auction (the "Auction") will be held on August 5, 2009, at 9:00 a.m. (MST) at the United States Bankruptcy Court for the District of Arizona, 230 North First Avenue, Phoenix, Arizona 85003, in the courtroom of the Honorable Redfield T. Baum, Sr. On or prior to 5:00 p.m. (MST) on the NHL Determination Date, the Debtors shall provide each Qualified Bidder that has submitted a Qualified Bid:

- (a) written notice of the Auction;
- (b) copies of all Qualified Bids; and
- (c) the initial Bid with which the Debtors intend to commence the Auction.

22. The Debtors, in consultation with the Qualified Bidders, shall also file a motion to assume and assign the applicable executory contracts on or before the NHL Determination Date for the Glendale Sale.

V. The Auction.

A. Participation in the Auction.

23. The only parties eligible to bid in the Auction shall be Qualified Bidders who have submitted a Qualified Bid to the Debtors; *provided, however*, that if at or prior to the commencement of the Auction, the Court determines that, for good cause shown, it would be in the

best interests of the estate to permit a Bidder who is not a Qualified Bidder to participate in the Auction, the Court may, in its discretion, either (i) permit such bidder to participate in the Auction with any sale to such Bidder if such Bidder should be the Successful Bidder being conditioned upon NHL approval of a transfer of ownership, or (ii) adjourn the Auction to permit such Bidder to qualify to become a Qualified Bidder, notwithstanding the passage of the deadline for any requirement to become a Qualified Bidder.

B. The Auction Process.

24. The Hon. Redfield T. Baum shall direct and preside over the Auction. All Bids shall be made and received on an open basis, and all material terms of each Bid shall be fully disclosed to all other Bidders. The Court shall maintain a transcript of all Bids made and announced at the Auction, including all Overbids and the Successful Bid (as defined below).

25. **Terms of Overbids.** An "Overbid" is any bid made at the Auction after the commencement thereof. Any Overbids shall be made in increments of at least \$2 million unless otherwise ordered by the Court.

26. Except as modified below, an Overbid must comply with the conditions for a Qualified Bid as set forth above.

27. To the extent not previously provided (which shall be determined by the Debtors and the NHL in consultation with representatives of the Creditors' Committee), a Qualified Bidder submitting an Overbid must submit, as part of its Overbid, evidence (in the form of financial disclosure or credit-quality support information or enhancement reasonably acceptable to the Debtors and the NHL in their discretion, or otherwise acceptable to the Court, in consultation with representatives of the Creditors' Committee) demonstrating such Qualified Bidder's ability to close the proposed transaction.

28. **Announcing Overbids.** The Court shall announce at the Auction the material terms of each Overbid, and in consultation with the Debtors, the NHL and representatives of the Creditors' Committee, the basis for the calculating the total consideration offered in each such Overbid and to provide a floor for further bidding.

VI. Identification of the Successful Bidder and Acceptance of Successful Bid.

A. Identification of the Successful Bidder.

29. At the close of the Auction, the Debtors and the NHL in consultation with the representatives of the Creditors' Committee shall recommend to the Court which Qualified Bidder had the highest and best bid (the "Successful Bid," and the bidder being the "Successful Bidder").

30. In recommending the Successful Bid, the Debtors and the NHL shall identify the material terms of the Successful Bid, the basis for determining the total consideration offered and the resulting benefit of the Successful Bid to the Debtors' estates. If the NHL and the Debtors are unable to agree about which Bidder is the Successful Bidder, the issue shall be submitted to the Court for determination at the Glendale Sale Hearing.

B. Acceptance of Bid From Successful Bidder.

31. The Debtors, in consultation with representatives of the NHL and the Creditors' Committee, presently intend to sell the Acquired Business to the Successful Bidder, pursuant to the Purchase Agreement agreed to by the Debtors and the Successful Bidder. All parties shall be bound by the Successful Bid only when such Bid has been approved by the Court at the Sale Hearing.

32. Except as otherwise provided in the form of Purchase Agreement agreed to by the Debtors, the NHL and the Successful Bidder, all of the Debtors' right, title and interest in and to the Assigned Assets shall be sold free and clear of all liens, claims, encumbrances, and interests thereon and there against (collectively, the "Transferred Liens"), with such Transferred Liens attaching to the proceeds of the Assigned Assets with the same validity and priority as the Transferred Liens had on the Assigned Assets immediately prior to their sale.

VII. Objections to Sale of Acquired Assets.

33. Any objection to the approval of the Glendale Sale of the Acquired Assets, including objections with respect to the motion to assume and assign executory contracts, must be filed with the Court by 5:00 p.m. on July 31, 2009, from any person, including the Debtors.

Responses to any such objections shall be filed by 5:00 p.m. on August 3, 2009. Any objections and/or responses filed shall be argued at the Glendale Sale Hearing (as defined below).

VIII. The Sale Hearing

34. A hearing (the "Glendale Sale Hearing") to approve the sale of the Acquired Business shall be held at the conclusion of the Auction, in the Courtroom of the Honorable Redfield T. Baum, and may be adjourned from time to time without further notice other than an announcement in open court at the Glendale Sale Hearing.

IX. Relocation Sale Procedures.

35. Debtors and the NHL shall each use good faith commercially reasonable efforts to sell those assets necessary or desirable to the operation of the Team as an NHL Member at a venue other than Glendale, Arizona (the "Relocation Assets") to a Bidder who otherwise satisfies the requirements to be a Qualified Bidder described herein (a "Relocation Bidder").

36. A Relocation Bidder must submit to the NHL (unless previously submitted) on or before August 7, 2009 (i) an NHL Application in accordance with paragraph 5 hereof, and (ii) the information prescribed in NHL By-Law 36 with respect to such relocation (a "Relocation Application").

37. On or before August 24, 2009, a Relocation Bidder shall submit to the Notice Parties a definitive Purchase Agreement (the "Relocation Purchase Agreement") and good faith deposit satisfying the provisions of paragraphs 11 and 12 hereof to acquire the Relocation Assets for a Home Territory, Sphere of Influence and Outer Market specified in such Relocation Purchase Agreement. In addition, the Relocation Purchase Agreement shall include an undertaking that any fee or indemnity payment in connection with the relocation opportunity as determined in good faith by the NHL's Board of Governors in accordance with the NHL Rules (a "Relocation Fee") shall be for the account of the Relocation Bidder and not the Debtors; provided however, that the Relocation Bid shall not be irrevocable until the Relocation Bidder has been advised by the NHL of the amount of the Relocation Fee, if any, subject to paragraph 43 below, and the Relocation Bidder has agreed to pay such fee.

38. On or before August 24, 2009, the Debtors, in consultation with the Relocation Bidders, shall file a motion to assume and assign executory contracts for the Relocation Sale.

39. On or before September 2, 2009 (i) the NHL shall notify each Relocation Bidder and the other Notice Parties whether it has approved the NHL Application and Relocation Application filed by each Relocation Bidder, and (ii) the amount, if any, of any Relocation Fee being charged to a Relocation Bidder. September 2, 2009 shall also be the date by which objections to the proposed sale of Relocation Assets shall be due from any person including the NHL.

40. Responses, if any, to objections to the sale of Relocation Assets, including objections to the motion to assume and assign executory contracts, and any objection to the NHL's determination of any Relocation Fee shall be due on or before September 4, 2009.

41. Depending on whether or not there is more than one Relocation Bid approved by the NHL or the Court, which has become irrevocable, the Debtors and the NHL shall proceed to an auction and/or a sale hearing (the "Relocation Sale Hearing") in accordance with the procedure described above with respect to the Glendale Auction and Glendale Sale Hearing.

42. Debtors or the NHL are authorized and empowered to take or perform such actions and expend such funds as may be necessary to effectuate the terms of this Order.

43. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order, including to hear and determine any disputes related to the NHL's determination with respect to any potential bidder and any Relocation Fee.

DATED AND SIGNED ABOVE.