

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

In re:

SPORTS AUTHORITY HOLDINGS, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 16-10527 (MFW)

(Jointly Administered)

Ref. Docket Nos. 20, 1699 & 1742

**NOTICE OF FILING OF (I) FOURTH AMENDMENT TO
DIP CREDIT AGREEMENT AND (II) AMENDED DIP BUDGET**

PLEASE TAKE NOTICE that, on March 2, 2016, Sports Authority Holdings, Inc. and its affiliated debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “Debtors”) filed the *Debtors’ Motion for Interim and Final Orders (I) Authorizing Debtors to Obtain Post-Petition Secured Financing Pursuant to 11 U.S.C. §§ 105, 362, 363, and 364; (II) Granting Liens and Superpriority Claims to Post-Petition Lenders Pursuant to 11 U.S.C. §§ 364 and 507; (III) Authorizing the Use of Cash Collateral and Providing Adequate Protection to Prepetition Secured Parties and Modifying the Automatic Stay Pursuant to 11 U.S.C. §§ 361, 362, 363, and 364; and (IV) Scheduling a Final Hearing Pursuant to Bankruptcy Rules 4001(b) and (c) and Local Rule 4001-2* [Docket No. 20] (the “DIP Motion”)² with the United States Bankruptcy Court for the District of Delaware (the “Court”). Attached to the DIP Motion as Exhibit B was the DIP Credit Agreement.

PLEASE TAKE FURTHER NOTICE that, on May 3, 2016, the Court held a final hearing to consider the DIP Motion (the “Final DIP Hearing”), at which time the Court approved the relief requested in the DIP Motion on a final basis, as modified on the record at the Final DIP Hearing and memorialized in the final form of order [Docket No. 1699] (the “Final DIP Order”). As represented by the Debtors at the Final DIP Hearing, on May 5, 2016, the Debtors filed that certain *Notice of Filing of Approved Final DIP Budget* [Docket No. 1742] (the “DIP Budget”) in connection with the Final DIP Order.

PLEASE TAKE FURTHER NOTICE that, in light of the Debtors’ enterprise-wide store closing sales approved pursuant to that certain *Order, Pursuant to Sections 105, 363, and 365 of the Bankruptcy Code, Approving Sale of Debtors’ Assets and Granting Related Relief* [Docket No. 2081] on May 24, 2016, the Debtors, the DIP Agent and the other parties signatory thereto (collectively, the “DIP Parties”) have agreed to amend the DIP Credit Agreement pursuant to that certain Fourth Amendment to DIP Credit Agreement attached hereto as

¹ The Debtors and the last four digits of their respective taxpayer identification numbers are as follows: Sports Authority Holdings, Inc. (9008); Slap Shot Holdings, Corp. (8209); The Sports Authority, Inc. (2802); TSA Stores, Inc. (1120); TSA Gift Card, Inc. (1918); TSA Ponce, Inc. (4817); and TSA Caribe, Inc. (5664). The headquarters for the above-captioned Debtors is located at 1050 West Hampden Avenue, Englewood, Colorado 80110.

² All capitalized terms used and not defined herein shall have the meanings ascribed to them in the DIP Motion.



Exhibit A (the “Fourth Amendment”). Pursuant to paragraph 58 of the Final DIP Order, the Fourth Amendment will be executed by the DIP Parties upon the passage of five (5) business days following the date of this Notice. At the same time, the DIP Parties have also agreed to a revised form of the DIP Budget (the “Amended DIP Budget”), a copy of which is attached hereto as **Exhibit B**.

Dated: June 1, 2016
Wilmington, Delaware

/s/ Andrew L. Magaziner
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Exhibit A

Fourth Amendment to DIP Credit Agreement

FOURTH AMENDMENT TO SENIOR SECURED SUPER-PRIORITY DEBTOR-IN-POSSESSION CREDIT AGREEMENT

This Fourth Amendment to Senior Secured Super-Priority Debtor-in-Possession Credit Agreement (the "Fourth Amendment") is made as of the ___ day of June, 2016 by and among:

THE SPORTS AUTHORITY, INC., as Borrower Representative for THE SPORTS AUTHORITY, INC., a Delaware corporation, and TSA STORES INC., a Delaware corporation (individually, a "Borrower" and collectively, the "Borrowers"),

THE BORROWERS AND GUARANTORS party hereto;

the LENDERS party hereto;

BANK OF AMERICA, N.A., a national banking association having a place of business at 100 Federal Street, Boston, Massachusetts 02110, as Administrative Agent and Collateral Agent for itself and the other Secured Parties; and

WELLS FARGO BANK, NATIONAL ASSOCIATION, a national bank association having a place of business at One Boston Place, 18th Floor, Boston, Massachusetts 02108, as FILO Agent;

in consideration of the mutual covenants herein contained and benefits to be derived herefrom.

WITNESSETH

WHEREAS, the Borrower Representative, the Borrowers, the Guarantors, the Administrative Agent, the Collateral Agent, and the Lenders have entered into a Senior Secured Super-Priority Debtor-in-Possession Credit Agreement dated as of March 3, 2016, as amended pursuant to that certain First Amendment to Senior Secured Super-Priority Debtor-in-Possession Credit Agreement dated as of March 22, 2016, as further amended pursuant to that certain Second Amendment to Senior Secured Super-Priority Debtor-in-Possession Credit Agreement dated as of April 25, 2016 and as further amended pursuant to that certain Third Amendment to Senior Secured Super-Priority Debtor-in-Possession Credit Agreement dated as of May 5, 2016 (as amended and in effect, the "Credit Agreement"); and

WHEREAS, the parties hereto have agreed to amend certain provisions of the Credit Agreement, on the terms and conditions set forth herein.

NOW THEREFORE, it is hereby agreed as follows:

1. Definitions: All capitalized terms used herein and not otherwise defined shall have the same meaning herein as in the Credit Agreement (as amended pursuant to Section 2 below).

2. Amendments to Credit Agreement.

- a. The definition of “Maturity Date” in Section 1.01 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

“Maturity Date” means July 15, 2016.

- b. The definition of “FILO Applicable Margin” in Section 1.01 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

“FILO Applicable Margin” means 9.00% per annum.

- c. The definition of “Required Lenders” in Section 1.01 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

“Required Lenders” means, as of any date of determination, Lenders holding more than 50% of the Outstanding Amount of the FILO Loan.

- d. The definition of “Termination Date” in Section 1.01 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

“Termination Date” means the earliest to occur of (i) the Maturity Date, (ii) the date on which the maturity of the Loans is accelerated and the Commitments are terminated in accordance with Section 8.02, (iii) the effective date of any plan in the Cases that has been confirmed by an order of the Bankruptcy Court, and (iv) the date on which the remaining balance of the guaranteed amount required to be paid to the Loan Parties pursuant to the terms of the Agency Agreement is paid to the Loan Parties.

- e. The following new Section 7.26 is hereby added to the Credit Agreement to read as follows:

7.26 Minimum Liquidity. Permit the amount of unrestricted cash and Cash Equivalents of the Loan Parties, in each case, subject to a perfected, first priority lien of the Collateral Agent to be less than (i) from and after May 26, 2016 through May 28, 2016, \$50,000,000 at any time, (ii) from and after May 29, 2016 through June 4, 2016, \$40,000,000 at any time, (iii) from and after June 5, 2016 through June 18, 2016, \$35,000,000 at any time, (iv) from and after June 19, 2016 through June 25, 2016, \$30,000,000 at any time, and (v) from and after June 26, 2016, \$20,000,000 at any time.

3. Conditions to Effectiveness. This Fourth Amendment shall not be effective until each of the following conditions precedent have been fulfilled to the satisfaction of (or waived by) the Administrative Agent, the FILO Agent and the FILO Lenders (such effective date, “Fourth Amendment Effective Date”):

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- a. This Fourth Amendment shall have been duly executed and delivered by the Borrower Representative and the other Borrowers, the Guarantors, the Administrative Agent, the FILO Agent and the Lenders party hereto. The Administrative Agent shall have received a fully executed copy hereof.
- b. All Bankruptcy Court, corporate and other consents and approvals required for this Fourth Amendment, if any, shall have been obtained.
- c. No Default or Event of Default shall have occurred and be continuing or shall arise immediately after giving effect to this Fourth Amendment.
- d. The FILO Lenders shall have received an updated Budget, in form and substance satisfactory to the FILO Lenders; it being understood and agreed that the Budget attached as Exhibit A hereto is an "Approved Budget".
- e. The Borrowers shall have paid to TPG Specialty Lending, Inc. and TAO Talents, LLC, as FILO Lenders, in immediately available funds, an amendment fee in the aggregate amount of \$100,000 in cash.
- f. The Final Order shall be deemed amended to effectuate the amendments in the Fourth Amendment.

4. Acknowledgments and Agreements.

- a. It shall be a condition precedent to the effectiveness of this Fourth Amendment that, upon the closing of the transactions contemplated under the Agency Agreement, the proceeds received by the Borrowers pursuant to the terms of the Agency Agreement shall have been used to (i) repay all outstanding Revolving Loans and Swing Line Loans in full in cash, (ii) Cash Collateralize the L/C Obligations and (iii) repay \$60,210,000 of the FILO Loan in cash, resulting in \$10,000,000 of the FILO Loan remaining outstanding. Upon receipt of the foregoing amounts in cash by the Administrative Agent and the FILO Agent, the parties hereto hereby acknowledge and agree that the Revolving Commitments, the Letter of Credit Sublimit and the Swing Line Sublimit shall be, and hereby are, terminated.
- b. The Borrowers hereby acknowledge and agree that upon receipt of the foregoing payments described in Section 4(a), the outstanding principal amount of the FILO Loan is \$10,000,000 and such amount remains outstanding and owing to the FILO Lenders pursuant to the Credit Agreement.
- c. The Agents and the Lenders hereby agree and acknowledge that prior to the Fourth Amendment Effective Date the Loan Parties shall be permitted to use cash collateral in accordance with the Approved Budget.

- d. The Agents and the Lenders hereby waive any Default or Event of Default (including any cross-default) that has arisen or would otherwise arise under the Credit Agreement and/or the Final Order solely by reason as a result of the failure of the Credit Parties to pay the full outstanding amount of the FILO Loan and any other Obligations on the Termination Date (as defined under the Credit Agreement prior to the effectiveness of the Fourth Amendment); provided, that the Agents and the Lenders are not waiving any Default or Event of Default that may arise from the failure to repay the Obligations on the Termination Date (as defined in the Fourth Amendment). The waivers in this Section 4(d) shall be effective only in these specific instances and for the specific purposes set forth herein and do not allow for any other or further departure from the terms and conditions of the Credit Agreement or any other Loan Document, which terms and conditions shall continue in full force and effect.

5. Miscellaneous.

- a. Except as provided herein, all terms and conditions of the Credit Agreement and the other Loan Documents remain in full force and effect. The Loan Parties each hereby ratify, confirm, and reaffirm the accuracy in all material respects of all of the representations, warranties (other than representations and warranties which specifically relate to an earlier date and other than representations and warranties which are qualified by materiality, which are true and correct in all respects) and covenants therein contained.
- b. The Borrowers shall reimburse the Administrative Agent, the FILO Agent and the FILO Lenders for all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent, the FILO Agent and the FILO Lenders in connection herewith, including, without limitation, reasonable attorneys' fees, as more fully set forth in the Credit Agreement.
- c. This Fourth Amendment may be executed in several counterparts and by each party on a separate counterpart, each of which when so executed and delivered, each shall be an original, and all of which together shall constitute one instrument. Delivery of an executed counterpart of a signature page hereto by telecopy or e-mail of a PDF copy shall be effective as delivery of a manually executed counterpart hereof.
- d. This Fourth Amendment and the Credit Agreement together shall constitute one agreement. This Fourth Amendment and the Credit Agreement together express the entire understanding of the parties with respect to the matters set forth herein and supersede all prior discussions or negotiations hereon.
- e. Any provision of this Fourth Amendment held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to

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the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof, and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

- f. This Fourth Amendment shall be construed, governed, and enforced pursuant to the laws of the State of New York and the Bankruptcy Code.

IN WITNESS WHEREOF, the parties hereto have caused this Fourth Amendment to be executed as of the date first above written.

THE SPORTS AUTHORITY, INC., as
Borrower Representative, as Borrower and
as Guarantor

By: _____
Name: _____
Title: _____

TSA STORES, INC., as Borrower and as
Guarantor

By: _____
Name: _____
Title: _____

THE SPORTS AUTHORITY HOLDINGS,
INC., as Guarantor

By: _____
Name: _____
Title: _____

TSA GIFT CARD, INC., as Guarantor

By: _____
Name: _____
Title: _____

SLAP SHOT HOLDINGS CORP., as
Guarantor

By: _____
Name: _____
Title: _____

BANK OF AMERICA, N.A., as
Administrative Agent and as Collateral
Agent

By: _____
Name:
Title:

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as FILO Agent

By: _____
Name: _____
Title: _____

TPG SPECIALTY LENDING, INC., as a FILO
Lender

By: _____
Name: _____
Title: _____

TAO TALENTS, LLC, as a FILO Lender

By: _____
Name: _____
Title: _____

Exhibit A

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Exhibit B

Amended DIP Budget

4-5-4 Month Week Ending Fiscal Week # Store Count Forecast/Actual	May 5/28/16 13 449 Forecast	TRANS- ACTION	Jun 6/4/16 14 129 Forecast	Jun 6/11/16 15 129 Forecast	Jun 6/18/16 16 129 Forecast	Jun 6/25/16 17 129 Forecast	Jun 7/2/16 18 0 Forecast	Jul 7/9/16 19 0 Forecast	Jul 7/16/16 20 0 Forecast	Total
SALES ASSUMPTIONS										
1) Retail Store Sales Comp	-28.0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
2) e-Commerce Sales Comp	0.0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
I. CASH FLOW										
Cash Receipts										
3) Retail Store	41,232	-	21,376	12,736	9,675	3,977	106	-	-	89,102
4) e-Commerce	2,593	-	2,110	-	-	-	-	-	-	4,703
5) Other	100	-	-	-	-	-	-	-	-	100
6) Inventory Auction Proceeds	-	307,554	-	-	-	-	-	65,355	-	372,909
7) All Other Post-Sale Proceeds	-	-	-	-	-	-	-	-	-	-
8) Total Cash Receipts	43,925	307,554	23,487	12,736	9,675	3,977	106	-	65,355	466,815
Cash Disbursements										
Operating										
9) Merchandise Payments	(8,300)	-	(6,065)	(1,138)	(1,099)	(3,313)	-	-	(10,196)	(30,112)
10) PBS Escrow Funding	-	-	-	-	-	-	-	-	-	-
11) Payroll, Payroll Taxes, and Benefits	(6,939)	-	(4,656)	(6,221)	(968)	(1,097)	(745)	(688)	-	(21,313)
12) Rent and Occupancy	(3,816)	-	(7,683)	(176)	(176)	(1,124)	-	-	-	(12,976)
13) Utilities	(834)	-	(302)	(197)	(234)	(150)	(100)	(197)	(234)	(2,248)
14) Freight	(71)	-	-	-	-	-	-	-	-	(71)
15) Capital Expenditures	(125)	-	-	-	-	-	-	-	-	(125)
16) Sales Tax Payments	(3,645)	-	(544)	(114)	(770)	(6,629)	(516)	-	-	(12,217)
17) Marketing & Other Disbursements	(3,629)	-	(492)	(417)	(298)	(778)	-	-	-	(5,614)
18) Total Operating Cash Disbursements	(27,358)	-	(19,744)	(8,263)	(3,546)	(13,090)	(1,361)	(885)	(10,430)	(84,676)
Financing										
19) Revolver Interest	(769)	-	-	-	-	-	-	-	-	(769)
20) DIP Interest	-	-	-	-	-	-	-	-	-	-
21) Other Interest and Fees	(568)	-	-	-	-	-	-	-	-	(568)
22) Principal Paydown	-	-	-	-	-	-	-	-	-	-
23) Lender DIP Fee	-	-	-	-	-	-	-	-	-	-
24) Professional Fees / Retainers	-	-	-	(6,108)	-	-	-	-	(5,613)	(11,721)
25) Total Financing Cash Disbursements	(1,337)	-	-	(6,108)	-	-	-	-	(5,613)	(13,058)
Bankruptcy Related Payments										
26) Wind Down Costs	5,535	-	(5,081)	69	(1,148)	(1,148)	(2,919)	(1,863)	(1,271)	(7,826)
27) Agency Fee on GOB	(188)	-	(190)	(173)	(144)	(97)	-	-	-	(793)
28) Net PBS Activity	-	-	892	1,438	1,264	1,169	1,068	970	922	7,722
29) Stub Rent	(8,500)	-	-	-	-	-	-	-	-	(8,500)
30) 503(b)9	-	-	-	-	-	-	-	-	-	-
31) Gift Card Reimbursement	-	-	-	(1,436)	(1,436)	(1,436)	(1,436)	(1,436)	(1,436)	(8,618)
32) Total Bankruptcy Cash Disbursements	(3,153)	-	(4,379)	(103)	(1,464)	(1,513)	(3,287)	(2,329)	(1,786)	(18,014)
Distributions to Creditors										
33) Distributions to Term Loan Lenders	-	-	-	-	-	-	-	-	-	-
34) Distributions to UCC (excl 503(b)9)	-	-	-	-	-	-	-	-	-	-
Total Distributions to Creditors	-	-	-	-	-	-	-	-	-	-
35) Total Cash Disbursements	(31,848)	-	(24,123)	(14,474)	(5,010)	(14,603)	(4,648)	(3,214)	(17,828)	(115,748)
36) Net Cash Flow Before Borrowings	12,076	307,554	(636)	(1,738)	4,665	(10,626)	(4,542)	(3,214)	47,527	351,067
37) Starting Est. Book Available Cash	(4,315)	(14,515)	35,716	35,080	33,342	38,007	27,382	22,840	19,626	(4,315)
38) Add: Net Cash Flow Before Borrowings	12,076	307,554	(636)	(1,738)	4,665	(10,626)	(4,542)	(3,214)	47,527	351,067
39) Add: Funding of New Money DIP	-	-	-	-	-	-	-	-	-	-
40) Revolver and FILO Principal Borrowings / (Paydowns)	(22,277)	(257,323)	-	-	-	-	-	-	(10,000)	(289,600)
41) Ending Est. Book Available Cash	(14,515)	35,716	35,080	33,342	38,007	27,382	22,840	19,626	57,153	57,153
42) Add: Est. Outstanding Checks	21,515	21,515	11,846	4,958	2,127	7,854	816	531	6,258	6,258
43) Ending Est. Bank Available Cash	7,000	57,231	46,926	38,300	40,135	35,236	23,656	20,157	63,411	63,411
II. FINANCING										
44) Starting Revolver Balance	(178,119)	(155,842)	-	-	-	-	-	-	-	(178,119)
45) Paydowns / (Borrowings)	22,277	155,842	-	-	-	-	-	-	-	178,119
46) Ending Revolver Balance	(155,842)	-	-	-	-	-	-	-	-	-
47) FILO	(95,285)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	-	-
48) Ending Revolver Balance	(155,842)	-	-	-	-	-	-	-	-	-
49) Ending LC Balance	(16,196)	-	-	-	-	-	-	-	-	-
50) Total ABL Exposure	(267,323)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	-	-