

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

In re:

SPORTS AUTHORITY HOLDINGS, INC., *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 16-10527 (MFW)

(Jointly Administered)

Ref. Docket Nos. 6, 130, 544, 596, 669, 719, 741,  
756, 843 & 846

**CERTIFICATION OF COUNSEL REGARDING REVISED FINAL ORDER  
(A) PROHIBITING UTILITY PROVIDERS FROM ALTERING, REFUSING OR  
DISCONTINUING SERVICE; (B) APPROVING THE DEBTORS' PROPOSED  
ADEQUATE ASSURANCE OF PAYMENT FOR POSTPETITION SERVICES; AND  
(C) ESTABLISHING PROCEDURES FOR RESOLVING REQUESTS FOR  
ADDITIONAL ADEQUATE ASSURANCE OF PAYMENT**

The undersigned hereby certifies as follows:

1. 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 (A) Prohibiting Utility Providers from Altering, Refusing or Discontinuing Service; (B) Approving the Debtors' Proposed Adequate Assurance of Payment for Postpetition Services; and (C) Establishing Procedures for Resolving Requests for Additional Adequate Assurance of Payment* [Docket No. 6] (the "Motion") with the United States Bankruptcy Court for the District of Delaware (the "Court").

2. On March 3, 2016, the Court entered that certain *Interim Order (A) Prohibiting Utility Providers from Altering, Refusing or Discontinuing Service;*

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<sup>1</sup> 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.



*(B) Approving the Debtors' Proposed Adequate Assurance of Payment for Postpetition Services; and (C) Establishing Procedures for Resolving Requests for Additional Adequate Assurance of Payment* [Docket No. 130] (the "Interim Order").

3. Objections to approval of the Motion on a final basis were due to be filed and served on or before March 22, 2016 at 4:00 p.m. (ET) (the "Objection Deadline").<sup>2</sup> Prior to the Objection Deadline, the following objections to the Motion were filed: (1) *Objection of Certain Utility Companies to the Debtors' Motion for Interim and Final Orders (A) Prohibiting Utility Providers from Altering, Refusing or Discontinuing Service; (B) Approving the Debtors' Proposed Adequate Assurance of Payment for Postpetition Services; and (C) Establishing Procedures for Resolving Requests for Additional Adequate Assurance of Payment* [Docket No. 544]; (2) *Objection of Duke Energy to Entry of a Final Order on the Debtors' Motion for Interim and Final Orders (A) Prohibiting Utility Providers from Altering, Refusing or Discontinuing Service; (B) Approving the Debtors' Proposed Adequate Assurance of Payment for Postpetition Services; and (C) Establishing Procedures for Resolving Requests for Additional Adequate Assurance of Payment* [Docket No. 669]; and (3) *Request for Additional Assurance of Utility Payment and Opposition to Debtors' Motion for Order Approving Proposed Adequate Assurance of Payment for Postpetition Services* [Docket No. 741] (collectively, the "Objections"). In addition, the following joinders to the Objections were filed: (1) *Joinder of Certain Additional Utility Companies to the Objection of Certain Utility Companies to the Debtors' Motion for Interim and Final Orders (A) Prohibiting Utility Providers from Altering, Refusing or Discontinuing Service; (B) Approving the Debtors' Proposed Adequate Assurance of Payment for Postpetition Services; and (C) Establishing Procedures for Resolving Requests for*

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<sup>2</sup> The Objection Deadline was extended by the Debtors until March 24, 2016 at 4:00 p.m. (ET) for the Official Committee of Unsecured Creditors (the "Committee").

*Additional Adequate Assurance of Payment* [Docket No. 596]; and (2) *Joinder of Orlando Utilities Commission to the Objection of Certain Utility Companies to the Debtors' Motion for Interim and Final Orders (A) Prohibiting Utility Providers from Altering, Refusing or Discontinuing Service; (B) Approving the Debtors' Proposed Adequate Assurance of Payment for Postpetition Services; and (C) Establishing Procedures for Resolving Requests for Additional Adequate Assurance of Payment* [Docket No. 719] (together, the "Joinders"). Lastly, the Debtors also received informal comments to the Motion from (i) Direct Energy, (ii) Direct Energy Business Marketing, LLC, and/or (iii) Direct Energy Business, LLC (collectively, "Direct Energy"), and collectively with the parties that filed the Objections and the Joinders, the "Responding Parties").

4. Following discussions with the Responding Parties, the Debtors have consensually resolved the Objections, the Joinders, and the informal comments from Direct Energy. As a result thereof, certain Objections and the Joinders were withdrawn [Docket Nos. 756, 843 and 846], and the Debtors were advised by counsel to Chugach Electric Association, Inc. ("Chugach") that Chugach intended to withdraw its Objection [Docket No. 741] in connection with the settlement reached with the Debtors.

5. Attached hereto as Exhibit A is a revised form of final order (the "Revised Final Order") which includes additional provisions reflecting the resolutions between the Debtors and the Responding Parties. For the convenience of the Court and all interested parties, a blackline comparing the Revised Final Order against the form of final order attached to the Motion is attached hereto as Exhibit B.

WHEREFORE, as the Debtors did not receive any objections or responses other than that described herein, and the Debtors and the Responding Parties have consensually resolved all issues, the Debtors respectfully request that the Court enter the Revised Final Order without further notice or hearing at the Court's earliest convenience.

Dated: March 31, 2016  
Wilmington, Delaware

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*Counsel to the Debtors and  
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**EXHIBIT A**

**REVISED FINAL ORDER**

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

In re:

SPORTS AUTHORITY HOLDINGS, INC., *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 16-10527 (MFW)

(Jointly Administered)

Ref. Docket Nos. 6, 130 & \_\_\_\_

**FINAL ORDER (A) PROHIBITING UTILITY PROVIDERS FROM ALTERING, REFUSING OR DISCONTINUING SERVICE; (B) APPROVING THE DEBTORS' PROPOSED ADEQUATE ASSURANCE OF PAYMENT FOR POSTPETITION SERVICES; AND (C) ESTABLISHING PROCEDURES FOR RESOLVING REQUESTS FOR ADDITIONAL ADEQUATE ASSURANCE OF PAYMENT**

Upon the *Debtors' Motion for Interim and Final Orders (a) Prohibiting Utility Providers from Altering, Refusing or Discontinuing Service; (b) Approving the Debtors' Proposed Adequate Assurance of Payment for Postpetition Services; and (c) Establishing Procedures for Resolving Requests for Additional Adequate Assurance of Payment* [Docket No. 6] (the "Motion")<sup>2</sup> filed by the above-captioned debtors and debtors in possession (collectively, the "Debtors"); and the Court having found that it has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1334(b) and 157, 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 the Court having found that venue of these cases and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having found that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b); and the Court having found that notice of the Motion has been

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<sup>1</sup> 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.

<sup>2</sup> All capitalized terms used and not defined herein shall have the meanings ascribed to them in the Motion.

given as set forth in the Motion and that such notice is adequate and no other or further notice need be given; and the Court having determined that it may enter a final order consistent with Article III of the United States Constitution; and upon consideration of the First Day Declaration; and a hearing having been held to consider the relief requested in the Motion; and upon the record of all hearings on the Motion and all of the proceedings had before the Court; and the Court having previously entered the *Interim Order (A) Prohibiting Utility Providers from Altering, Refusing or Discontinuing Service; (B) Approving the Debtors' Proposed Adequate Assurance of Payment for Postpetition Services; and (C) Establishing Procedures for Resolving Requests for Additional Adequate Assurance of Payment* [Docket No. 130]; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors, their estates, their creditors and all other parties in interest; and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor,

**IT IS HEREBY ORDERED THAT:**

1. The Motion is GRANTED as set forth herein on a final basis.
2. The Debtors are authorized to pay on a timely basis, in accordance with their prepetition practices, all undisputed invoices for Utility Services rendered by the Utility Providers to the Debtors after the Petition Date.
3. To the extent not otherwise already done, the Debtors shall provide an Adequate Assurance Deposit for all Utility Providers by depositing \$2,000,000 into a segregated Adequate Assurance Deposit Account upon entry of this Final Order.
4. The Proposed Adequate Assurance comprises the Adequate Assurance Deposit and the Debtor's ability to pay for future utility services in the ordinary course of business and

constitutes sufficient adequate assurance of future payment to the Utility Providers to satisfy the requirements of section 366 of the Bankruptcy Code.

5. The Utility Providers are prohibited from (a) altering, refusing, or discontinuing Utility Services to, or discriminating against, the Debtors on the basis of the commencement of the Chapter 11 Cases or on account of any unpaid prepetition charges; (b) drawing upon any existing security deposit, surety bond, or other form of security to secure future payment for utility services; or (c) requiring additional adequate assurance of payment other than the Proposed Adequate Assurance, as a condition of the Debtors continuing to receive Utility Services.

6. The following Adequate Assurance Procedures are approved:

a. If a Utility Provider is not satisfied with the Proposed Adequate Assurance and seeks additional assurance of payment in the form of a deposit, letter of credit, prepayment, or otherwise, it must serve an Additional Assurance Request upon proposed counsel to the Debtors, (i) Gibson, Dunn & Crutcher LLP, 333 South Grand Avenue, Los Angeles, CA 90071 (Attn: Sabina Jacobs, Esq.) and (ii) Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, DE 19801 (Attn: Elizabeth S. Justison, Esq.) (together, the “Notice Parties”);

b. Each Additional Assurance Request must (i) be made in writing; (ii) set forth all location(s) for which utility services are provided and the relevant account number(s); (iii) include a summary of the Debtors’ payment history relevant to the affected account(s); (iv) describe any deposits or other security currently held by the requesting Utility Provider; and (v) identify and explain the basis of the Utility Provider’s proposed adequate assurance requirement under section 366(c)(2) of the Bankruptcy Code;

c. Upon the Notice Parties’ receipt of an Additional Assurance Request at the address set forth in subparagraph (a) above, the Debtors shall promptly negotiate with such Utility Provider to resolve such Utility Provider’s Additional Assurance Request;

d. The Debtors may, in their discretion, resolve an Additional Assurance Request by mutual agreement with the requesting Utility Provider without further notice to the Court or any other party in interest and may, in connection with any such agreement, following notice to (i) Riemer & Braunstein LLP (attn: David Berman and Marjorie Crider) as counsel for (x) Bank of America, N.A., in its



capacity as Administrative Agent and Collateral Agent under the Second Amended and Restated Credit Agreement, dated as of May 17, 2012, and (y) certain DIP Lenders under the Debtors' proposed postpetition financing facility; (ii) Brown Rudnick LLP (attn.: Robert Stark and Bennett Silverberg) as counsel for Wilmington Savings Fund Society, FSB as Administrative Agent and Collateral Agent under the Amended and Restated Credit Agreement, dated as of May 3, 2006 and amended and restated as of November 16, 2010; (iii) Choate, Hall & Stewart LLP (attn.: Kevin Simard) as counsel for (x) Wells Fargo Bank, National Association, in its capacity as FILO Agent under the Second Amendment to Second Amended and Restated Credit Agreement, dated as of November 3, 2015, and (y) certain DIP Lenders under the Debtors' proposed postpetition financing facility (collectively, the "Agents"), provide a Utility Provider with additional adequate assurance of future payment, including, but not limited to, cash deposits, prepayments, and/or other forms of security, without further order of the Court to the extent the Debtors believe such additional assurance is reasonable in the exercise of their business judgment;

e. If the Debtors determine that a timely received Additional Assurance Request is not reasonable and are unable to reach an alternative resolution with the applicable Utility Provider, the Debtors shall, upon reasonable notice, calendar the matter (the "Adequate Assurance Dispute") for the next regularly scheduled omnibus hearing to determine the adequacy of assurance of payment pursuant to section 366(c)(3) of the Bankruptcy Code;

f. Pending resolution of any such Adequate Assurance Dispute, any such Utility Provider shall be prohibited from altering, refusing, or discontinuing service to the Debtors on account of unpaid charges for prepetition services, the filing of the Chapter 11 Cases, or any objection to the adequacy of the Proposed Adequate Assurance;

g. The Debtors may, in their discretion, resolve any Adequate Assurance Dispute by mutual agreement with the requesting Utility Provider without further notice to the Court or any other party in interest and may, in connection with any such agreement, following notice to the Agents, provide a Utility Provider with additional adequate assurance of future payment, including, but not limited to, a cash deposit, prepayment, letter of credit, and/or other forms of security, without further order of the Court to the extent the Debtors believe that such additional assurance is reasonable in the exercise of their business judgment and the Debtors may, by mutual agreement with the objecting Utility Provider and without further order of the Court, reduce the Adequate Assurance Deposit by an amount not exceeding the requesting Utility Provider's estimated two-week utility expense; and

h. Upon the closure of one of the Debtors' retail locations and the discontinuance of the Utility Services associated therewith, or the termination of Utility Services independent thereof, the Debtors may, in their discretion and without further order of the Court, reduce the Adequate Assurance Deposit by an

amount not exceeding, for each of the Utility Services being discontinued, the lesser of (a) the estimated two-week utility expense for such Utility Services and (b) the amount of the Adequate Assurance Deposit then attributable to the applicable Utility Provider.

7. The Debtors may supplement the Utility Providers List without further order of the Court with Additional Utility Providers if such Additional Utility Providers were inadvertently omitted from the Utility Providers List, and the Debtors will file as soon as practicable with the Court a supplement to Exhibit C annexed to the Motion that adds the name of any Additional Utility Provider to the Utility Providers List. The Debtors will then serve by email or by facsimile transmission (or, where the Debtors do not have the email address or fax number of an Additional Utility Provider, by First Class Mail) a copy of the Motion and this signed Final Order on any Additional Utility Provider.

8. No money may be withdrawn from the Adequate Assurance Deposit Account except (a) in compliance with the Adequate Assurance Procedures, (b) by mutual agreements of the Debtors and the applicable Utility Provider, or (c) by further order of the Court. If the Debtors fail to pay for any legitimate post-petition Utility Services when due, a Utility Provider may access only that portion of the Adequate Assurance Deposit attributable to it in the Adequate Assurance Deposit Account.

9. All funds in the Adequate Assurance Deposit Account shall remain subject to the prepetition liens in favor of (a) Bank of America, N.A., in its capacity as Administrative Agent and Collateral Agent under the Second Amended and Restated Credit Agreement, dated as of May 17, 2012, (b) Wilmington Savings Fund Society, FSB as Administrative Agent and Collateral Agent under the Amended and Restated Credit Agreement, dated as of May 3, 2006 and amended and restated as of November 16, 2010 and (iii) Wells Fargo Bank, National Association, in its capacity as FILO Agent under the Second Amendment to Second Amended

and Restated Credit Agreement, dated as of November 3, 2015 (collectively, the “Secured Credit Agreements”), subject to the rights of the Utility Providers to payments made (a) in compliance with the Adequate Assurance Procedures, (b) by mutual agreement of the Debtors and the applicable Utility Provider, or (c) by further order of the Court.

10. Upon confirmation of any chapter 11 plan in these Chapter 11 Cases, and without further order of the Court, all amounts in the Adequate Assurance Deposit Account shall first be used to pay any amounts outstanding under the Secured Credit Agreements and shall then be available for the Debtors’ use, in their sole discretion.

11. The Debtors shall administer the Adequate Assurance Deposit Account in accordance with the terms of this Final Order.

12. Nothing contained herein constitutes a finding that any entity is or is not a Utility Provider hereunder or under section 366 of the Bankruptcy Code, whether or not such entity is listed on the Utility Providers List.

13. The Debtors are authorized, but not directed, to honor their obligations to Ecova, including any fees incurred prepetition.

14. Notwithstanding anything to the contrary herein, none of (a) Direct Energy, (b) Direct Energy Business Marketing, LLC, and/or (c) Direct Energy Business, LLC (collectively, “Direct Energy”) shall be considered a “Utility Provider” for purposes of this Final Order or the relief granted herein. Direct Energy shall provide the Debtors with no less than 60-calendar days prior written notice before terminating any commodities contract, forward contract, swap agreement and/or master netting agreement with one or more of the Debtors; provided that, the Debtors are authorized and directed to pay on a timely basis, in accordance with their prepetition practices, all undisputed invoices for electricity or natural gas provided by Direct Energy after

the Petition Date and Direct Energy shall be entitled to an administrative claim for any post-petition amounts accruing thereunder; provided further that, Direct Energy shall have an immediate right to terminate any commodities contract, forward contract, swap agreement and/or master netting agreement, without further relief from this Court, in the event that the Debtors fail to pay any post-petition amount upon written notice to the Debtors and if the Debtors fail to cure any deficiency within 5 calendar days.

15. The Utility Providers are not enjoined or precluded in any way from (a) offsetting prepetition cash deposits against prepetition debts pursuant to section 366(c)(4) of the Bankruptcy Code or (b) making demand upon or receiving payment on surety bonds or letters of credit for unpaid prepetition charges.

16. Within two (2) business days of the date of this Final Order, the Debtors shall serve a copy of this Final Order on each Utility Provider identified on the Utility Providers List. Within two (2) business days of filing a supplement to the Utility Providers List, as applicable, the Debtors shall serve a copy of this Final Order and the Motion on any Additional Utility Provider.

17. Nothing in this Order authorizes the Debtors to pay prepetition claims without further order of the Court.

18. This Order shall not apply, by agreement of the Debtors and applicable Utility Providers, to those certain Utility Providers that filed the objection and joinders at Docket Nos. 544, 596, and 719, respectively.

19. Nothing in the Motion or this Final Order, or the Debtors' payment of any claims pursuant to this Final Order, shall be deemed or construed as: (a) an admission as to the validity of any claim or Lien against the Debtors or their estates; (b) a waiver of the Debtors' right to

dispute any claim or Lien; (c) an approval or assumption of any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (d) an admission of the priority status of any claim, whether under section 503(b)(9) of the Bankruptcy Code or otherwise; or (e) a modification of the Debtors' rights to seek relief under any section of the Bankruptcy Code on account of any amounts owed or paid to any Utility Provider.

20. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Final Order shall be immediately effective and enforceable upon its entry.

21. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Final Order in accordance with the Motion.

22. The Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this Final Order.

Dated: \_\_\_\_\_, 2016  
Wilmington, Delaware

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MARY F. WALRATH  
UNITED STATES BANKRUPTCY JUDGE

**EXHIBIT B**

**BLACKLINE**

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

In re:

SPORTS AUTHORITY HOLDINGS, INC., *et al.*,<sup>1</sup>  
  
Debtors.

Chapter 11

Case No. 16-~~10527~~ (~~MFW~~)

(Jointly Administered)

Ref. Docket Nos. ~~6, 130~~ & ~~---~~

**FINAL ORDER (A) PROHIBITING UTILITY PROVIDERS FROM ALTERING,  
REFUSING OR DISCONTINUING SERVICE; (B) APPROVING THE DEBTORS'  
PROPOSED ADEQUATE ASSURANCE OF PAYMENT FOR POSTPETITION  
SERVICES; AND (C) ESTABLISHING PROCEDURES FOR RESOLVING  
REQUESTS FOR ADDITIONAL ADEQUATE ASSURANCE OF PAYMENT**

Upon the *Debtors' Motion for Interim and Final Orders (a) Prohibiting Utility Providers from Altering, Refusing or Discontinuing Service; (b) Approving the Debtors' Proposed Adequate Assurance of Payment for Postpetition Services; and (c) Establishing Procedures for Resolving Requests for Additional Adequate Assurance of Payment [Docket No. 6]* (the "Motion")<sup>2</sup> filed by the above-captioned debtors and debtors in possession (collectively, the "Debtors"); and the Court having found that it has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1334(b) and 157, 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 the Court having found that venue of these cases and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having found that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b); and the Court having found that notice of the Motion has been given as set forth in the Motion and that such notice is adequate and no other or further notice

<sup>1</sup> 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.

<sup>2</sup> All capitalized terms used and not defined herein shall have the meanings ascribed to them in the Motion.

need be given; and the Court having determined that it may enter a final order consistent with Article III of the United States Constitution; and upon consideration of the First Day Declaration; and a hearing having been held to consider the relief requested in the Motion; and upon the record of all hearings on the Motion and all of the proceedings had before the Court; and the Court having previously entered the *Interim Order (A) Prohibiting Utility Providers from Altering, Refusing or Discontinuing Service; (B) Approving the Debtors' Proposed Adequate Assurance of Payment for Postpetition Services; and (C) Establishing Procedures for Resolving Requests for Additional Adequate Assurance of Payment* [Docket No. ~~---~~[130](#)]; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors, their estates, their creditors and all other parties in interest; and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor,

**IT IS HEREBY ORDERED THAT:**

1. The Motion is GRANTED as set forth herein on a final basis.
2. The Debtors are authorized to pay on a timely basis, in accordance with their prepetition practices, all undisputed invoices for Utility Services rendered by the Utility Providers to the Debtors after the Petition Date.
3. To the extent not otherwise already done, the Debtors shall provide an Adequate Assurance Deposit for all Utility Providers by depositing \$2,000,000 into a segregated Adequate Assurance Deposit Account upon entry of this Final Order.
4. The Proposed Adequate Assurance comprises the Adequate Assurance Deposit and the Debtor's ability to pay for future utility services in the ordinary course of business and constitutes sufficient adequate assurance of future payment to the Utility Providers to satisfy the requirements of section 366 of the Bankruptcy Code.



5. The Utility Providers are prohibited from (a) altering, refusing, or discontinuing Utility Services to, or discriminating against, the Debtors on the basis of the commencement of the Chapter 11 Cases or on account of any unpaid prepetition charges; (b) drawing upon any existing security deposit, surety bond, or other form of security to secure future payment for utility services; or (c) requiring additional adequate assurance of payment other than the Proposed Adequate Assurance, as a condition of the Debtors continuing to receive Utility Services.

6. The following Adequate Assurance Procedures are approved:

a. If a Utility Provider is not satisfied with the Proposed Adequate Assurance and seeks additional assurance of payment in the form of a deposit, letter of credit, prepayment, or otherwise, it must serve an Additional Assurance Request upon proposed counsel to the Debtors, (i) Gibson, Dunn & Crutcher LLP, 333 South Grand Avenue, Los Angeles, CA 90071 (Attn: Sabina Jacobs, Esq.) and (ii) Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, DE 19801 (Attn: Elizabeth S. Justison, Esq.) (together, the “Notice Parties”);

b. Each Additional Assurance Request must (i) be made in writing; (ii) set forth all location(s) for which utility services are provided and the relevant account number(s); (iii) include a summary of the Debtors’ payment history relevant to the affected account(s); (iv) describe any deposits or other security currently held by the requesting Utility Provider; and (v) identify and explain the basis of the Utility Provider’s proposed adequate assurance requirement under section 366(c)(2) of the Bankruptcy Code;

c. Upon the Notice Parties’ receipt of an Additional Assurance Request at the address set forth in subparagraph (a) above, the Debtors shall promptly negotiate with such Utility Provider to resolve such Utility Provider’s Additional Assurance Request;

d. The Debtors may, in their discretion, resolve an Additional Assurance Request by mutual agreement with the requesting Utility Provider without further notice to the Court or any other party in interest and may, in connection with any such agreement, following notice to (i) Riemer & Braunstein LLP (attn: David Berman and Marjorie Crider) as counsel for (x) Bank of America, N.A., in its capacity as Administrative Agent and Collateral Agent under the Second Amended and Restated Credit Agreement, dated as of May 17, 2012, and (y) certain DIP Lenders under the Debtors’ proposed postpetition financing facility; (ii) Brown Rudnick LLP (attn.: Robert Stark and Bennett Silverberg) as counsel

for Wilmington Savings Fund Society, FSB as Administrative Agent and Collateral Agent under the Amended and Restated Credit Agreement, dated as of May 3, 2006 and amended and restated as of November 16, 2010; (iii) Choate, Hall & Stewart LLP (attn.: Kevin Simard) as counsel for (x) Wells Fargo Bank, National Association, in its capacity as FILO Agent under the Second Amendment to Second Amended and Restated Credit Agreement, dated as of November 3, 2015, and (y) certain DIP Lenders under the Debtors' proposed postpetition financing facility (collectively, the "Agents"), provide a Utility Provider with additional adequate assurance of future payment, including, but not limited to, cash deposits, prepayments, and/or other forms of security, without further order of the Court to the extent the Debtors believe such additional assurance is reasonable in the exercise of their business judgment;

e. If the Debtors determine that a timely received Additional Assurance Request is not reasonable and are unable to reach an alternative resolution with the applicable Utility Provider, the Debtors shall, upon reasonable notice, calendar the matter (the "Adequate Assurance Dispute") for the next regularly scheduled omnibus hearing to determine the adequacy of assurance of payment pursuant to section 366(c)(3) of the Bankruptcy Code;

f. Pending resolution of any such Adequate Assurance Dispute, any such Utility Provider shall be prohibited from altering, refusing, or discontinuing service to the Debtors on account of unpaid charges for prepetition services, the filing of the Chapter 11 Cases, or any objection to the adequacy of the Proposed Adequate Assurance;

g. The Debtors may, in their discretion, resolve any Adequate Assurance Dispute by mutual agreement with the requesting Utility Provider without further notice to the Court or any other party in interest and may, in connection with any such agreement, following notice to the Agents, provide a Utility Provider with additional adequate assurance of future payment, including, but not limited to, a cash deposit, prepayment, letter of credit, and/or other forms of security, without further order of the Court to the extent the Debtors believe that such additional assurance is reasonable in the exercise of their business judgment and the Debtors may, by mutual agreement with the objecting Utility Provider and without further order of the Court, reduce the Adequate Assurance Deposit by an amount not exceeding the requesting Utility Provider's estimated two-week utility expense; and

h. Upon the closure of one of the Debtors' retail locations and the discontinuance of the Utility Services associated therewith, or the termination of Utility Services independent thereof, the Debtors may, in their discretion and without further order of the Court, reduce the Adequate Assurance Deposit by an amount not exceeding, for each of the Utility Services being discontinued, the lesser of (a) the estimated two-week utility expense for such Utility Services and (b) the amount of the Adequate Assurance Deposit then attributable to the applicable Utility Provider.

7. The Debtors may supplement the Utility Providers List without further order of the Court with Additional Utility Providers if such Additional Utility Providers were inadvertently omitted from the Utility Providers List, and the Debtors will file as soon as practicable with the Court a supplement to Exhibit C annexed to the Motion that adds the name of any Additional Utility Provider to the Utility Providers List. The Debtors will then serve by email or by facsimile transmission (or, where the Debtors do not have the email address or fax number of an Additional Utility Provider, by First Class Mail) a copy of the Motion and this signed Final Order on any Additional Utility Provider.

8. No money may be withdrawn from the Adequate Assurance Deposit Account except (a) in compliance with the Adequate Assurance Procedures, (b) by mutual agreements of the Debtors and the applicable Utility Provider, or (c) by further order of the Court. If the Debtors fail to pay for any legitimate post-petition Utility Services when due, a Utility Provider may access only that portion of the Adequate Assurance Deposit attributable to it in the Adequate Assurance Deposit Account.

9. All funds in the Adequate Assurance Deposit Account shall remain subject to the prepetition liens in favor of (a) Bank of America, N.A., in its capacity as Administrative Agent and Collateral Agent under the Second Amended and Restated Credit Agreement, dated as of May 17, 2012, (b) Wilmington Savings Fund Society, FSB as Administrative Agent and Collateral Agent under the Amended and Restated Credit Agreement, dated as of May 3, 2006 and amended and restated as of November 16, 2010 and (iii) Wells Fargo Bank, National Association, in its capacity as FILO Agent under the Second Amendment to Second Amended and Restated Credit Agreement, dated as of November 3, 2015 (collectively, the “Secured Credit Agreements”), subject to the rights of the Utility Providers to payments made (a) in compliance

with the Adequate Assurance Procedures, (b) by mutual agreement of the Debtors and the applicable Utility Provider, or (c) by further order of the Court.

10. Upon confirmation of any chapter 11 plan in these Chapter 11 Cases, and without further order of the Court, all amounts in the Adequate Assurance Deposit Account shall first be used to pay any amounts outstanding under the Secured Credit Agreements and shall then be available for the Debtors' use, in their sole discretion.

11. The Debtors shall administer the Adequate Assurance Deposit Account in accordance with the terms of this Final Order.

12. Nothing contained herein constitutes a finding that any entity is or is not a Utility Provider hereunder or under section 366 of the Bankruptcy Code, whether or not such entity is listed on the Utility Providers List.

13. The Debtors are authorized, but not directed, to honor their obligations to Ecova, including any fees incurred prepetition.

14. Notwithstanding anything to the contrary herein, none of (a) Direct Energy, (b) Direct Energy Business Marketing, LLC, and/or (c) Direct Energy Business, LLC (collectively, "Direct Energy") shall be considered a "Utility Provider" for purposes of this Final Order or the relief granted herein. Direct Energy shall provide the Debtors with no less than 60-calendar days prior written notice before terminating any commodities contract, forward contract, swap agreement and/or master netting agreement with one or more of the Debtors; provided that, the Debtors are authorized and directed to pay on a timely basis, in accordance with their prepetition practices, all undisputed invoices for electricity or natural gas provided by Direct Energy after the Petition Date and Direct Energy shall be entitled to an administrative claim for any post-petition amounts accruing thereunder; provided further that, Direct Energy shall have an immediate right

to terminate any commodities contract, forward contract, swap agreement and/or master netting agreement, without further relief from this Court, in the event that the Debtors fail to pay any post-petition amount upon written notice to the Debtors and if the Debtors fail to cure any deficiency within 5 calendar days.

15. The Utility Providers are not enjoined or precluded in any way from (a) offsetting prepetition cash deposits against prepetition debts pursuant to section 366(c)(4) of the Bankruptcy Code or (b) making demand upon or receiving payment on surety bonds or letters of credit for unpaid prepetition charges.

16. ~~14.~~ Within two (2) business days of the date of this Final Order, the Debtors shall serve a copy of this Final Order on each Utility Provider identified on the Utility Providers List. Within two (2) business days of filing a supplement to the Utility Providers List, as applicable, the Debtors shall serve a copy of this Final Order and the Motion on any Additional Utility Provider.

17. ~~15.~~ Nothing in this Order authorizes the Debtors to pay prepetition claims without further order of the Court.

18. This Order shall not apply, by agreement of the Debtors and applicable Utility Providers, to those certain Utility Providers that filed the objection and joinders at Docket Nos. 544, 596, and 719, respectively.

19. ~~16.~~ Nothing in the Motion or this Final Order, or the Debtors' payment of any claims pursuant to this Final Order, shall be deemed or construed as: (a) an admission as to the validity of any claim or Lien against the Debtors or their estates; (b) a waiver of the Debtors' right to dispute any claim or Lien; (c) an approval or assumption of any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (d) an admission of the priority status of

any claim, whether under section 503(b)(9) of the Bankruptcy Code or otherwise; or (e) a modification of the Debtors' rights to seek relief under any section of the Bankruptcy Code on account of any amounts owed or paid to any Utility Provider.

20. ~~17.~~ Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Final Order shall be immediately effective and enforceable upon its entry.

21. ~~18.~~ The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Final Order in accordance with the Motion.

22. ~~19.~~ The Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this Final Order.

Dated: \_\_\_\_\_, 2016  
Wilmington, Delaware

\_\_\_\_\_  
MARY E. WALRATH  
UNITED STATES BANKRUPTCY JUDGE